FBIS DAILY REPORT

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SFRY NEWSMAN PREDICTS CHERNENKO WILL GO TO SOFIA

AU311855 Ljubljana DELO in Slovene 28 Dec 84 p 3

[Report by DELO correspondent Danilo Slivnik]

[Excerpts] Moscow, 28 Dec -- Konstantin Chernenko, Soviet party and state leader, who took the helm in the Kremlin in February of this year, is preparing for his first trip abroad. In mid-January he will attend the Sofia session of the Warsaw Pact Political Consultative Committee, which meets every 2 or 3 years and which is attended by heads of states as well as premiers and defense and foreign ministers.

Konstantin Chernenko is now preparing for the trip, and he will be accompanied by Nikolay Tikhonov, Andrey Gromyko, and Sergey Sokolov, the new defense minister who assumed the office about a week ago after Marshal Dimitriy Ustinov's death. It is expected that the agenda will include questions concerning the international situation and the latest development of international relations with the opposite superpower, as well as the renewal of the Warsaw military agreement, which runs out in May of next year.

It is not quite clear whether the gathered leaders of the seven countries of the East will sign the new agreement on the working of the East European military pact in Sofia or whether they will do it in May, when the treaty actually runs out. The latest treaty is valid for 10 years, and in May of next year the Warsaw Pact leaders will meet in Moscow, for the Soviet authorities have been intensively preparing for some time great celebrations on the 40th anniversary of the victory over fascism.

Observers here believe that there will also be much discussion in Sofia about the possibilities for new Soviet-American negotiations on the limitation of the arms race, which will be the subject of talks in Geneva at the beginning of January between U.S. Secretary of State George Shultz and Soviet Foreign Minister Andrey Gromyko. Despite rather restrained assessments, the Kremlin expects a great deal from the new negotiations, and the same goes for the Soviet allies, who a long time ago made it quite clear that they are in favor of relaxation of tension and the limitation of the arms race.

ASSEMBLY PRESENTS 1985 ECONOMIC GUIDELINES

State Plan Law

AU281304 Tirana ZERI I POPULLIT in Albanian 26 Dec 84 p 1

["Law on the 1985 State Plan for Development of the Economy and Culture of the People's Socialist Republic of Albania"]

[Text] Having examined the draft plan for the development of the economy and culture of the People's Socialist Republic of Albania in 1985, the People's Assembly of the People's Socialist Republic of Albania decided:

Article 1

The major indicators of the state plan for development of the economy and culture of the People's Socialist Republic of Albania in 1985, compared with 1984, having been approved as follows:

Overall industrial production is to increase 6.2 percent, and overall agricultural production is to increase 17.7 percent.

Overall transportation of commodities in ton-kilometers is to be increased 8 percent, and that of railroad transportation 13 percent. Investments for development of the economy and culture will total 4.62 billion leks. Exports are to increase by 16.8 percent, retail trade by 4 percent, and repairs, services, and custom work by 5.3 percent. Labor productivity in industry is to rise 3.2 percent, and in the construction-installation sector 2.5 percent.

Article 2

The Council of Ministers is to work out details of the 1985 plan according to ministries and other central departments and is to adopt measures arising therefrom.

Article 3

This law goes into effect on 1 January 1985.

Tirana, 25 December 1984

Law No 6940

Ramiz Alia, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania

Sihat Tozaj, secretary of the Presidium of the People's Assembly of the People's Socialist Republic of Albania

State Budget Law

AU281355 Tirana ZERI I POPULLIT in Albanian 26 Dec 84 p 1

["Law on the 1985 State Budget"]

[Text] The People's Assembly of the People's Socialist Republic of Albania decided:

Article 1

The 1985 state budget presented by the Council of Ministers of the People's Socialist Republic of Albania is approved as follows:

Income	9.25 billion leks
Expenditure	9.2 billion leks
Balance	50 million leks

Article 2

Total income from the socialist economy in the state budget for 1985 is set at 8.747 billion leks.

Article 3

Overall income from the nonproduction sphere (scientific institutions, kindergartens, movie theaters, theaters, and so forth) and other income from the socialist sector in 1985 is set at 503 million leks.

Article 4

Total expenditure to finance the socialist economy, to further develop industry, mining, geology, the energy sector, agriculture, transportation, the communal economy, and other branches of the economy in the 1985 state budget is set at 4.831 billion leks, not including expenditure to be covered by the resources of the enterprises themselves.

Article 5

Total expenditure to finance measures of a social and cultural nature (kindergartens, 8-year schools, lower vocational schools, general and vocational secondary schools, the university and other higher educational institutions, libraries, radio and television, theaters, creches, hospitals, sanatoriums, physical culture, pensions, children's allowances, and other social and cultural measures) in the 1985 state budget is set at 2.46 billion leks.

Article 6

Allocations for national defense in the 1985 state budget total 1.7 billion leks.

Article 7

Allocations in the 1985 state budget for maintenance of the administrative apparatus total 138 million leks.

Article 8

The 1985 budget of the district people's councils is set at 3.74 billion leks (in million leks):

1.	Berat	155.4
2.	Diber	122.7
3.	Durres	211.4
4.	Elbasan	195
5.	Fier	185.3
6.	Gramsh	43.7
7.	Gjirokaster	99.2
8.	Kolonje	47.1
9.	Korce	176.5

10.	Kruje	94
11.	Kukes	98.1
12.	Lezhe	66.9
13.	Librazhd	58.8
14.	Lushnje	121.5
15.	Mat	74
16.	Mirdite	58.4
17.	Permet	50.1
18.	Pogradec	66.1
19.	Puke	48.4
20.	Sarande	128.1
21.	Skrapar	60.4
22.	Shkoder	211.9
23.	Tepelene	54.4
24.	Tirana	378.7
25.	Tropoje	54.1
26.	Vlore	213.8

Article 9

The final 1983 state budget is approved as follows:

Income	8,263,407,262.75 leks
Expenditure	8,246,461,024.30 leks
Balance	16,946,238.45 leks

Article 10

This law comes into effect on 1 January 1985.

Tirana, 25 December 1984

Law No 6941

Ramiz Alia, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania

Sihat Tozaj, secretary of the Presidium of the People's Assembly of the People's Socialist Republic of Albania

PEOPLE URGED TO MINIMIZE EXPENDITURES

AU281227 Tirana ZERI I POPULLIT in Albanian 22 Dec 84 p 1

[Editorial: "Let Us Fulfill the Tasks With as Little Expenditure as Possible Through Comprehensive Educational, Organizational, and Control Work"]

[Excerpts] Fulfillment of the plan with the least possible expenditure is a demand of the law of thrift in our socialist economy.

Our economy is by nature thrifty and creates conditions and great opportunities to use live and materialized work in accordance with a strict regimen of thrift. But the comprehensive educational, guiding, organizational, and controlling work of the party organs and organizations, and their instruments, must create a profound belief that in the present conditions fulfillment of the plan with the least possible expenditures assumes even greater importance.

This is absolutely necessary to preserve a rapid pace of development in the face of growing difficulties created by the imperialist-revisionist blockade, as well as difficulties created by weather conditions.

Savings must be effected in all branches of the economy and in every sphere of socialist activity. But basic savings must be sought in the field of production. The attention of the party organizations and, under their guidance, of the state and economic organs, from the periphery to the central institutions, must be centered more on energy resources, fuels and electricity, and raw and other materials, particularly imported materials. Liberal attitudes and practices observed in this must be barred by firm, comprehensive, and concrete measures.

The militant spirit of the tasks set out in the Ninth AWP Central Committee Plenum must permeate and support all the work to be done to fulfill the 1985 tasks with the least possible expense. In this context, it is necessary to understand profoundly and take well into consideration the party's instruction that science should more fully place its energies in the service of production and production efficiency. The working people in the scientific institutions, as well as all cadres and specialists and all our working people, with the communists in the lead, are confronted more than ever with the need to find more profitable ways of developing production with the least possible expense. The fulfillment of this task requires that, by implementing what is advanced and contemporary in production, we must at the same time struggle against all inclinations to gigantomania, against excessive demands justified with "the modernization of production," and so forth, which are outside concrete possibilities and conditions and which require large funds and investments when there are more profitable ways.

The party is not opposed to advanced technologies. It has never been and is not hesitant to use such technologies when they are necessary. On the contrary. But the fact that a considerable proportion of the modern machinery and equipment that the party and state have acquired through the toil and efforts of the people is not being properly utilized, while demands are made for more at the same time, speaks as much of a lack of understanding of the situations as of a lack of sufficient work in leading, organizing, and controlling these resources. In the oil industry, for example, considerable investments have been made for new machinery and equipment, but they are not being properly utilized, nor is the great human and intellectual potential trained by the party being properly utilized. The low degree to which tasks in the oil sector are being fulfilled is a concrete example of weak educational, organizational, and controlling work on the part of the party committees in Fier, Vlore, and Berat Districts, as well as of an insufficient degree of awareness of the workers class in this very important sector of the economy.

The leading comrades in the Ministry of Energy must not stand on endless justifications and self-criticisms, nor must they leave the blame for the nonfulfillment of tasks to some scientific-research institutions, which they believe to be the key to success. Lively work with individuals, good organizational work, and most importantly, account-rendering to the last will ensure that tasks are fulfilled also in this important sector. The problem must be posed bluntly: Those who cannot fulfill the tasks set out must make room for more devoted, more capable people, people of work and sacrifice. This is well-known instruction by the party and one that does not apply solely to one sector.

Excessive and untimely inclinations and demands for investments and funds, which are manifested not infrequently among specialists and leading cadres in enterprises and in the districts, must be opposed strongly and mercilessly. Specialists and leading cadres in the central departments who accept these demands and incorporate them in their draft plans also fall under the pressure of such demands. Meanwhile, the considerable unutilized capacities of production lines, plants, and so forth are forgotten.

Particular attention is deserved by the problems pertaining to productivity.

Much has been and is being said about norms, but the effects of reviews and "improvements" are frequently not seen in increased productivity; on the contrary, there is nonfulfillment in some branches. This is frequently due to the fact that in place of a truly scientific effort with regard to norms, there is formalism and much noise being made about the revision of norms in secondary instead of primary work operations, in the failure to properly base norms on technical documentation, and so forth.

Savings must also be achieved in the nonproduction sphere. The measures adopted and the party's constant solicitude for this sphere must in no way be improperly used, leaving the way open to a liberal use of material and monetary values. Untimely investments, the construction of overly costly projects in the nonproduction sphere, excessive personnel, and other unnecessary excessive expenditures nurtured by various manifestations of bureaucracy and megalomania must be subjected to strict judgment, particularly in the party organizations, conclusions must be drawn, and the necessary preventive measures must be adopted.

HUSAK'S NEW YEAR'S ADDRESS ASSESSES PROGRESS

LD011728 Prague Domestic Service in Czech 1200 GMT 1 Jan 85

[New Year's speech by Gustav Husak, general secretary of the CPCZ Central Committee and president of the CSSR -- live or recorded]

[Text] Esteemed fellow citizens and comrades: On the threshold of 1985 I greet you heartily on behalf of the CPCZ Central Committee, the Central Committee of the National Front, the Czechoslovak Government, as well as on my own behalf. For the new year I wish you good health, successes and contentment in your work, happiness, good spirit, and joy in your private life.

Dear friends, it has now become a good tradition for us to reflect at the outset of the New Year on what the past year brought us both within our families and workplaces as well as in the entire state, and to deliberate on what awaits us in the coming year.

In briefly assessing 1984 we can say that it was another good year for our state and people. We lived through it in peace despite the fact that dangerous tension persists in the world. Our citizens are able to devote themselves without anxiety to their constructive work and take care of the well-being of their families.

Characteristic of the situation in our country is political stability, broad social and working activity, upward development of the national economy, high living standards, and rich cultural and spiritual life. Communists, people without any party affiliation, members of other political parties, and members of the National Front's organizations accomplished in their common endeavor a great many useful things for the further development of our society. In the active endeavor to make our common Czechoslovak homeland flourish, the unity of our fraternal nations and the ethnic minorities living in our state was strengthened. Although it was necessary to tackle a number of complicated issues and overcome many difficulties, we made further progress in our economic and social development, as assessed in detail by the CPCZ Central Committee at its 12th session in December.

Intensified dynamism in our economic development created prerequisites for the further growth of both private and social consumption, coupled with the implementation of some social measures. Fulfillment and overfulfillment of the plan in industry, agriculture, the construction sector, transport and other branches is primarily the result of the initiative and selflessness of millions of working people. These favorable results were also manifested in the strengthened position of our state in the world.

I sincerely thank workers, farmers, the intelligentsia, and all our citizens who by their selfless work in factories, in agriculture, on construction sites, in transportation and services, in the health service, in the education sector, in scientific institutions, in culture and art, in strengthening the defense capability of our socialist homeland, and in other sectors contributed to these good results.

Our people have been able to convince themselves in the course of many years of struggle for a just social order and during 4 decades of building a new society that the policy of the CPCZ and of the National Front expresses correctly their aspirations and goals, their national and class interests. After overcoming the social crisis, the principled policy of the party, full of tenacity of purpose, has during the past 15 years ensured the stable and successful development of our society. It thereby gave our people an opportunity to build their lives on firm foundations.

Springing from this is their profound confidence, founded on historical experiences, in the Communist Party, the support they give to its policy, and the conviction with which they share in its implementation. We value enormously this confidence of the working people and we shall be striving through our entire activity to deepen it.

Comrades, the strengthening of our social order, the development of our economy, and a better life for our people will be the focal point of our endeavors also in the new year. The year of 1985 is the last year of the Seventh 5-Year Plan. We have laid the groundwork for its fulfillment and in some respects for its overfulfillment.

We shall devote great attention to preparation of the Eighth 5-Year Plan. In it, above all by a more resolute application of science and technology, we wish to raise markedly the performance of our economy and lay the foundations for the further growth of living standards.

We have begun preparations for the 17th CPCZ Congress, which is to take place in 1986. At it we shall discuss a program for the further development of our economy and of all of society up to 1990. We shall also examine longer-term perspectives up to the year 2000.

General elections to the representative bodies at all levels will also take place in 1986. This is why it is especially important that the aims of this year's plan and indeed of the entire Seventh 5-Year Plan are successfully fulfilled at all workplaces and that everywhere we discharge with dignity the tasks set before us by the 16th congress.

At the same time we shall link further development of the national economy with the deepening of our participation in the international division of labor, above all with the CEMA member-states, as expressed at the summit conference on economic issues held in Moscow in June last year. Management workers and bodies at all levels have great responsibility to ensure that people everywhere know the tasks facing their workplaces, that they share to an increasing degree in management and administration, that working initiative is developed broadly, and that a responsible attitude is taken toward suggestions and observations made by working people.

We shall place major emphasis on ensuring that our socialist principles are applied consistently throughout our life as well as in relations among people, and that due care is taken to ensure the observation of laws, socialist order, and discipline. We shall take care to ensure that respect for honest and good quality work, which ranks among the highest values of our society, grows. We shall act resolutely against all negative phenomena, shortcomings, and disorders which are impeding our progress in certain sectors.

Comrades, last year we marked the 40th anniversary of some great milestones in our national liberation struggle and the liberation of our homeland by the Soviet Army -- the Slovak national uprising and the Carpathian-Dukla operation. This year, too, we shall recall how the national liberation struggle of our people developed and how the Soviet Army brought freedom gradually to other towns, villages, and regions, and how the building of people's democratic order began in the liberated territories.

The 40th anniversary of the adoption of the Kosice government program and the formation of the first National Front government will take place. We shall recall the glorious days of May 1945, the rising of the Czech people and the final liberation of our homeland by the Soviet Army, which paved the way for our people to carry out profound revolutionary changes toward socialist perspectives.

We highly appreciate the socialist pledges of working collectives and individuals to mark these glorious anniversaries.

We shall mark the events of the past 40 years with pride in the revolutionary gains of our people, in the results we have achieved in political and social, economic and cultural construction. We shall also mark these events with gratitude to the generations that fought against fascism and laid the foundations of just social order that gave new status to the working man.

The balance sheet of the past 40 years is a source of national pride and patriotic and internationalist feeling for our people. It strengthens their conviction that we are proceeding along a correct path, which although not without obstacles and problems as well as some mistakes, has enabled us to resolve fundamental national and social issues, achieve an unprecedented development, and ensure a reliable future for our homeland.

We must implant these historical experiences within the hearts of the young generations who will be carrying on in our work.

Comrades, we all realize that we shall be able to reach our goals only if peace is preserved in the world. This is why our principal concern this year, too, will be to ensure the peace, security, and independence of our homeland. We see the most reliable international guarantee of our national freedom, state sovereignty, and our future as resting on our historically tested friendship and alliance and in comprehensive cooperation with the Soviet Union and the other countries of the socialist community. Together with them we shall continue in the struggle to avert the threat of war, to achieve disarmament, especially nuclear disarmament, to reach peaceful settlement of international problems on the principles of equality and equal security, and to return international relations to the path of relaxation and constructive cooperation.

Together with our friends and allies we shall resolutely counter the efforts of the reactionary forces of imperialism, especially American imperialism, to upset the balance of forces in the world, escalate the feverish arms build up, including the militarization of outer space, and to drag the world further along the dangerous path toward war.

We shall make an active contribution to strengthening the unity of the Warsaw Pact states, promoting the policy of peaceful coexistence and equal and mutually advantageous international cooperation among states regardless of their social systems. We are conscious of the fact that future international development will not take place without complications. Imperialism has not given up its objectives. There are still many obstacles along the path to disarmament. Life, however, shows that the growing influence of the socialist community, the aspiration of millions of people on all continents to live in peace, represents a force capable of exerting an effective influence on international developments and successfully ensuring a peaceful tomorrow.

The nations have not forgotten the millions of victims through whom the victory over fascism was fought in World War II. And neither have they forgotten the lesson drawn from World War II, in particular on the need to do everything possible to prevent a new military catastrophe from breaking out.

With satisfaction we welcome the fact that on the initiative of the Soviet Union a meeting between the foreign ministers of the Soviet Union and the United States will take place in Geneva shortly, and this meeting will examine the possibilities of opening talks on a complex of questions concerning nuclear and space weapons. The Soviet Union has demonstrated on many occasions that it is ready to contribute honestly and honorably to achieving a mutually acceptable and just agreement and to adopting radical measures toward disarmament.

It is now up to the United States to demonstrate by real actions its willingness to engage in peaceful cooperation.

In the name of our common struggle for peace and progress we today convey our comradely New Year's greetings, coupled with the wishes of new successes, to the fraternal people of the Soviet Union and to the other socialist states. We greet all friends Czechoslovakia has in the world and all peace-loving people.

Esteemed fellow citizens, comrades, the results of the past year justify that we look with confidence and sober optimism into the future. We shall do our utmost to ensure that our common endeavor for the benefit of our socialist homeland is successful. Once more, dear fellow citizens, from the bottom of my heart I wish you all a great deal of happiness and success in the New Year.

STATE BANK SETS 1985 CURRENCY LIMITS FOR TOURISTS

AU311035 Prague RUDE PRAVO in Czech 28 Dec 84 p 2

[CTK report: "Announcement of the State Bank on Private Travel to Nonsocialist States and Yugoslavia in 1985"]

[Text] Prague, 27 Dec -- Between 2 and 31 January 1985, the Czechoslovak State Bank will accept in its branches, according to the applicant's place of permanent residence, applications for foreign currency allocations for private travel to nonsocialist states and Yugoslavia in 1985.

Separate application forms for nonsocialist states and Yugoslavia are on sale in all branches of the Czechoslovak State Bank.

Applicants for foreign currency allocations for travel to nonsocialist states may request between $17 and $20 per person per day, with the maximum sum for the entire stay being $400. Applicants for private travel to Yugoslavia may request between 1,000 and 1,500 dinars per person per day, the maximum sum for the entire stay being 30,000 dinars. Applicants for a foreign currency allocation for travel to Yugoslavia driving their own motor vehicle may apply for an additional singular allotment of 10,000 dinars for purchase of the necessary quantity of fuel in Yugoslavia. Only one of the persons sharing a single vehicle may include this sum in the application form for a foreign currency allocation. In the course of the year, dinars for the purchase of fuel will be sold only to applicants who requested them in the application for a foreign currency allocation.

As a new provision, children up to 12 years of age traveling to nonsocialist states or Yugoslavia will be provided with one-half of the adult allotments.

The bank will not accept any collective applications by groups of individuals, for example for sport trips, expeditions, or other purposes, nor will it accept collective applications by enterprises or organizations.

The bank will notify the applicant only if the reply is positive, by mailing to him the approved application by 29 March 1985. In dealing with applications for foreign currency allocations for travel to nonsocialist states and Yugoslavia, consideration will be given to the year of the last private trip. Preference will be given to applicants who have not yet traveled privately to nonsocialist states and Yugoslavia. The year of the last private trip must be entered in the application form for a foreign currency allocation for travel to Yugoslavia.

More detailed information is available on foreign currency allocation application forms or from the bank's branches.

TERRITORIAL WATERS EXTENDED TO 12 NAUTICAL MILES

LD020958 East Berlin ADN International Service in German 0301 GMT 2 Jan 85

[Text] Berlin, 2 Jan (ADN) -- The GDR Council of Ministers has issued the second implementation order under the Border Law of 25 March 1982. Beginning on 1 January 1985, this extends the GDR's territorial waters in conformity with universally recognised international law and the UN Convention on the Law of the Sea. The text of the implementation order has been published in the GDR LEGAL GAZETTE, Part 1, No 37, page 441. GDR territorial waters, previously 3 nautical miles, will be extended to a maximum of 12 nautical miles. In some segments, with due regard to special geographical conditions and the interests of international shipping, the territorial waters will be less wide.

PROTEST LODGED WITH FRG OVER BORDER INCIDENT

LD311317 East Berlin ADN International Service in German 1133 GMT 31 Dec 84

[Text] Berlin, 31 Dec (ADN) -- On the evening of 27 December 1984 an unknown person penetrated into GDR sovereign territory from FRG territory near Eisenach and forcibly destroyed border security installations.

The GDR Permanent Mission in the FRG has lodged a strong protest with the FRG Federal Chancellor's Office against this provocative act and called for the punishment of the guilty person. The expectation was expressed that the FRG will finally take the necessary measures to prevent such acts, which contravene international law.

FRG BORDER OFFICIALS 'HARASS' YOUTH GROUP

AU311142 East Berlin NEUES DEUTSCHLAND in German 29-30 Dec 84 p 1

[ADN report: "Federal Border Police Harass GDR Youth Group"]

[Text] Berlin (ADN) -- As has only now become known, on 21 December a GDR youth delegation participating in an international youth camp in Oberstdorf at the invitation of the Young Nature Lovers was subjected by FRG border officials to a discriminating and provocative inquiry at the FRG border. It was threatened that if the questions -- which were clearly of a secret service character -- were not answered continuation of the trip would be refused. Only the resolute protest of the delegation head against these methods made it possible to continue the trip.

The FDJ Central Council regards this harassment against young citizens of the GDR as renewed proof of the fact that in the FRG influential forces are not interested in normal relations between the FDJ and the FRG youth organizations, and are not interested in youth tourism either, despite all kinds of hypocritical statements.

LEADERS DISCUSS 1984 ACHIEVEMENTS, VIEW 1985

Losonczi Greetings Broadcast

LD011727 Budapest Domestic Service in Hungarian 1105 GMT 1 Jan 85

[New Year greetings by Pal Losonczi, president of the Hungarian Presidential Council; date and place not given -- live or recorded]

[Text] Esteemed compatriots, dear comrades: We have bid farewell to the old year and are saluting the new year in accordance with our traditions. On New Year's Eve, if only for one night, we can forget about the concerns of the past few months. Today, looking to the future, we wish for each other that the new year be nicer and happier than the year we have just left behind.

The year 1984 will, no doubt, enter our history as one of those many years which cannot by any means be described as having been easy. In spite of the revival of dialogue, tension between the two world systems did not decrease and the external conditions of economic construction work further worsened for us. Our results, achieved in conditions that were more difficult than expected, are by no means negligle. As a result of the diligent labor of our working people, the Hungarian people's economy developed in line with the main economic policy objectives. Our national income was higher than planned. Industrial and agricultural production increased in spite of unfavorable weather. Major investment projects were completed. These included the second block of the Paks nuclear power station, the catalytic cracking plant of the Danube crude oil industry enterprise, and the new stage of the Budapest metro. We reconstructed the Szolnok paper factory, the state opera, Arpad bridge, and the accident casualty hospital.

We may also consider among last year's achievements the fact that the foreign trade balance further improved. We maintained full employment and, even if it was not perceptible to everyone, we preserved the existing standard of living. New homes, nurseries, kindergartens, and schools were built. The number of hospital beds increased. There was a widespread introduction of the 40-hour work week.

With the results achieved in the construction of our new society, our country's international prestige bacame even more extensive. The main factor behind this appreciation is the socialist national unity with which our people line up behind our policies, making more and more responsible use of democratic rights and duties. Another factor supporting this was the ability of our people's economy to shoulder its burdens and carry on even in the more difficult conditions.

The third factor is our foreign policy. The primary goal of the foreign policy of the Hungarian People's Republic is the improvement of the external conditions of our domestic construction work and, together with the other socialist countries, consistently serving the cause of peace and social progress. We sincerely hope that 1985, the 10th anniversary of the Helsinki conference, will be the year of return to the spirit of Helsinki and detente. We will continue to do our best to bring this about.

We experienced appreciation for our policies when an entire series of heads of state and government visited our country in 1984 and when we visited countries with either identical or different social systems. These visits not only contributed to getting better acquainted with each other and opening up new opportunities for mutually beneficial cooperation, but they also strengthened the bonds of friendship and served the universal cause of peace.

We could also see for ourselves that our country's international prestige depends, first and foremost, on the stability of our internal situation, the consistency of our policies, the people's national unity, which has been gaining in strength, and the results of our construction work.

In the new year which we are saluting now, we will be celebrating the 40th anniversary of our country's liberation. The 13th congress of our party will take place. We will hold local council and National Assembly elections, complete the people's Sixth 5-Year Plan and start on the practical implementation of our decisions on the modernization of the economic management system. On the 40th anniversary of our liberation, we can once again assess what a gigantic turning point it represents in the 1,100-year-old history of our country and in the life of our people. During the past 4 decades we built up, safeguarded, and consolidated people's power. As a result of rapid economic development, Hungary has been transformed from a backward country into an industrial-agrarian society, and the education and quality of life of our people have undergone a radical change.

Because of the results achieved in the construction of socialist society, our country has a good name and is honored on every continent of our globe. Our extensive contacts encompass almost every country, regardless of its social system. These contacts are developing in the knowledge of the fact that ours is a socialist country, a loyal member of the socialist community, committed to the universal cause of the progress of mankind and peace.

Dear comrades, at the 13th MSZMP Congress the task facing us is no less than working out the program of further constructing our society. We must explore and utilize the gigantic reserves in the socialist system in all walks of life through consistent work. By increasing the productive capacity of the people's economy and gradually intensifying economic development, we must create the material conditions for increasing the standard of living, improving living conditions, and better asserting social justice. We must further strengthen national unity by developing our democratic institutions in the spirit of socialist goals. The amended electoral system, designed to perfect socialist democracy, will have its first trial in practice this year. All of us will be tested at the local council and National Assembly elections. We should entrust the representation of our affairs to people who have already proven their suitability for the job, those who can responsibly take part in legislative work and in carrying out the constitutional functions of the National Assembly, and those who can make use of the opportunities of the increased independence of local councils. However, the real test is carrying out one's tasks in everyday work.

Taking into account the realities, this year's economic targets set out modest growth. We expect an improvement in the productivity and efficiency of labor as a result of the further development of our economic management system. It will not be easy to keep our position in ever-intensifying international competition and at the same time satisfy the increasing demand of domestic consumers. However, the Hungarian people have proved their ability, diligence, and tenacity in situations far more difficult than the present one. These qualities helped them through the stormy centuries, helped them overcome the difficulties, build a new country on top of the ruins, and undertake the great task of putting socialism into practice. The survival of these qualities guarantees that the Hungarian people can lay the foundations for another phase of ascent. The fact that Hungary is linked to the most progressive trend of social progress is another guarantee of that. Our alliance and comprehensive cooperation with the USSR and the other socialist countries is an invaluable international support for our peace, security, and socialist construction work.

In the spirit of these thoughts, on the first day of 1985 I wish, on behalf of our party's Central Committee, the Presidential Council, the government, and myself, a peaceful, successful, and happy new year to every citizen of our country, all Hungarian people, and the peace-loving people of the world.

Varkonyi Interviewed

AU271753 Sofia RABOTNICHESKO DELO in Bulgarian 25 Dec 84 pp 1, 4

[Text] Stanislav Drumeshki, RABOTNICHESKO DELO correspondent in Budapest, met and talked in Budapest with Peter Varkonyi, Hungarian foreign minister, on the eve of the new year.

[Drumeshki] The last days of 1984 are here. How would you characterize 1984 from the viewpoint of the international situation?

[Varkonyi] I am hardly alone in my evaluation that 1984 was a very weighty and difficult year. Peace was repeatedly threatened and tension in international relations increased on several occasions. However, every year carries the promise of new opportunities to strengthen peace. The socialist countries, in a spirit of fraternal cooperation, did much in 1984 to stop the forces of war. The coordinated policy followed by the USSR and the other fraternal socialist countries provides the opportunity for a quick and flexible reaction to events at all times as well as the opportunity to soberly and thoroughly evaluate the individual aspects of international developments, adhering to the principles tested by practice and consistently applying them to international life.

We did not decrease, but rather increased our activity, multiplied our initiatives to strengthen peace, and decisively stood against the policy of confrontation conducted by the aggressive imperialist circles. Our country's active policy and the policy of the socialist community, in which both the Hungarian People's Republic and the People's Republic of Bulgaria took part, was in the final account a positive influence on the international situation throughout the year and evoked a positve response in the European capitalist countries and in some neutral states.

By this I mean such initiatives as the proposal to make Europe a continent free of chemical weapons, and the initiative of the Warsaw Pact on a general decrease of military expenditures. I also mean the appeal to the NATO member-countries, issued by the 19-20 April Budapest meeting of the foreign ministers of the Warsaw Pact member-countries, on concluding a treaty on the mutual nonuse of force and maintaining mutual peaceful relations. Last but not least, I attribute exceptionally great importance to the statements of Comrade Konstantin Chernenko and other responsible Soviet leaders made during 1984, which confirmed the USSR's readiness to conduct constructive talks with the United States, on the condition that the other side also shows such readiness.

[Drumeshki] On each New Year's Eve mankind expresses the desire to live in peace and friendship. What are your hopes in this direction, and what is Hungary's contribution to strenghtening world peace?

[Varkonyi] As I already said, 1984, even if it was a difficult year, carried a promise of positive results in 1985. The Government of the Hungarian People's Republic gladly greets the Soviet-U.S. meeting of foreign ministers which is to take place in Geneva in January 1985. We do not harbor empty hopes, but for now the fact that the negotiations will resume is sufficient. We understand that this time the sides have in mind completely different negotiations.

Everybody knows that the main task is to protect space from militarization and to conduct effective talks on limiting strategic nuclear weapons. These are mutually related questions. In this context the forthcoming Geneva meeting of the USSR and U.S. foreign ministers can be viewed as a test, because it can clarify in many respects whether the U.S. attitude toward negotiations has become serious and real. Our expectations for 1985 depend to a large degree on this.

I would also like to mention that the November-December 1984 consultative meeting of the European Cultural Forum, which tock place in Budapest in the spirit of Helsinki, with its good atmosphere and effective work gives reason for certain positive expectations. The carrying out of this forum in Budapest in October 1985 will mark the first time that a socialist state has hosted a major event which follows the Helsinki conference.

During 1985 we shall celebrate the 40th anniversary of the victory over fascism, the 10th anniversary of the signing of the Helsinki Final Act, and the 40th anniversary of the United Nations. All this allows us to make new efforts to protect international peace and security and practically supply the principles of peaceful coexistence.

[Drumeshki] What is your personal position vis-a-vis Bulgaria's initiative to turn the Balkans into a nuclear-free zone?

[Varkonyi] This is a significant and important proposal. It was supported at various meetings of the Warsaw Pact member-countries and other forums of the socialist countries, at which the socialist countries, including the Hungarian People's Republic, decisively supported the idea of turning the Balkans into a nuclear-free zone. I believe that it is also important to create nuclear-free zones in other parts of Europe. We shall present this opinion at the Stockholm conference, where interest in creating European nuclear-free zones is growing. Such proposals enjoy popularity also in other parts of the world.

I think that in order to facilitate the creation of nuclear-free zones as soon as possible, a proposal should be made which would apply to all European countries, the United States, and Canada. In Hungary we are convinced that such a proposal would evoke a broad response and facilitate the cause of European and world peace.

FINANCE MINISTER ADDRESSES NATIONAL ASSEMBLY

AU271151 Budapest MAGYAR HIRLAP in Hungarian 20 Dec 84 pp 1-3

[Report on report presented by Finance Minister Istvan Hetenyi at 19 December session of National Assembly in Budapest: "The Guarantee of the Plan Is a More Efficient and Economical Production"]

[Text] In accordance with the comprehensive goals of our economic policy, the draft budget submitted to you provides for a fundamental balance of the state's financial management. At the same time the draft budget increases the provisions for education, culture, health, welfare, and social security expenses which are of fundamental importance from the viewpoint of living conditions, the minister said in beginning his speech. The funds for these can be ensured by an efficient and more economical production in accordance with next year's plan. We have geared our economic macro-management measures for next year, including the new features of the enterprise tax policy, to serve this goal.

The draft budget reflects the fact that we have successfully coped in past years with the tasks facing us: safeguarding the stability of the economy and maintaining our results achieved so far. In order to do this, it was necessary to organize our management better, and in certain cases in a more modern way; it was necessary for the majority of the workers to carry out larger and better organized activity than previously; and it was necessary to contribute through the results of socialist work competition to the progress of our country. Everyone who did share in this work deserves our gratitude. Our efforts have not been in vain. Everyone has an opportunity to work and can count on social security, and even if real wages have decreased by a few percent in recent years, living conditions have improved and the consumption and real income of the population as a whole have increased. We know that these are general figures. Many hundreds of thousands of families were forced to manage more economically while others were able to improve their living conditions with additional achievements. In view of the fact that several hundred thousand families have greater problems regarding how to improve their living conditions, we are providing for standard-of-living and political measures in our plan for next year primarily to benefit those lacking apartments and to benefit families with many children.

The provisions of the state budget are based on this year's experiences in economic activity and on the provisions for next year's plan, as well as on the positions of the MSZMP Central Committee of April 1984, aiming at the further development of the economic macromanagement system. The current development of the people's economy is basically in accordance with the goals set. We have maintained our international solvency. Our debts accounted in convertible currency are decreasing and the national income is increasing by 2-2.5 percent; consumption and accumulation are slightly exceeding the planned rates; consumption is increasing by 1 percent. The industrial production rate has accelerated, although in export capability several branches, such as the machine industry, do not show the results that we expected. Agriculture has achieved good results: Exports in this field have increased adequately. However, as a result of rather unfavorable price developments, our convertible currency income in this area is lagging behind what was planned.

The income of the population in real money terms is increasing by more than 9 percent; and the price level increase is 8.5 percent. Both slightly exceed the planned increases, but real per capita income will, after all, be greater by 1 percent than last year. The state budget is receiving its share from the incomes according to the plan and its deficit is smaller than last year; in all probability it will develop according to the plan.

The enterprises' net budget payments are in accordance with the plan. The budget's income from the population will be greater than planned, first of all because the activity of the small enterprises has broadened. Concerning expenses, we are allocating slightly more to accumulation than we originally planned; the central investments are progressing at an adequate rate, the projects whose implementation we planned for this year have been put into operation.

The sums allocated for public social expenses, such as education, culture, health, and social security are slightly larger than expected. This surplus, however, does not burden the central financial funds because its source is the income, which is increasing, of the institutions in question.

In 1985 our basic task continues to be the further consolidation of the foreign economic balance. We have also provided for the further decrease of existing debts. The key issue is to be able to increase our exports by 5-6 percent. At that level possibilities open up for an adequate increase of imports, too, and for the establishment of a slightly greater economic development than previously.

The plan provides for a 2.3-2.8 percent increase in national income. A new characteristic and at the same time new requirement of the plan of the people's economy that differs from that of previous years is that next year -- if we attain the planned performance -- we will be able to increase domestic consumption. Consumption can increase, and after several years it will be possible to set the goal of real wages stabilizing at the current level and not decreasing. This, together with other incomes, can result in the population's real income increasing by 1.5-2 percent.

Another new goal is to avoid a decrease of investments in the socialist sector and to be able to keep them at the current level. All this represents a highly visible change compared to the past few years. But I stress: This is a realistic goal, but is not yet a guaranteed, tangible result. It can become one only by increasing the efficiency of economic activity and through the surplus income thus created.

When we set this goal we were counting on the new elements of economic macromanagement and of the economic regulators bringing certain results in 1985. In the center of our measures stands our endeavor to widen the enterprises' independence and scope for maneuver, and of course, through their responsibility for the results of their economic activity should be greater, too.

We are strengthening those economic conditions in which the income of those pursuing economic activity is determined primarily by our domestic and foreign economic partners, and, generally speaking, by the market and the development of their expenses.

The budget for next year takes into consideration an income of 607.8 billion forints and expenses of 610.3 billion forints. The planned deficit is 2.5 billion forints, 1 billion forints less than that planned for 1984. The biggest part of the income continues to be made up of the payment of the socialist enterprises and cooperatives: 81.5 percent. According to our estimates, the enterprise payments will increase by 6 percent compared to the sum currently expected, that is, at a slower rate than the net income to be made by the enterprises. We intend, however, to return a much smaller proportion than previously of the incomes to the enterprises in the form of supports; we are providing for a 2 percent reduction of these supports. Thus, net payments must increase proportionally with the net income by approximately 10 percent.

The structure of the enterprises' tax payments considerably differs from that of this year as new tax regulations have taken effect. The payments of tax on profits will slightly decrease, the separate withdrawals that burden the development fund will cease, and the current centralization of the amortization created at the enterprises will be eliminated. New types of taxes will be put into effect in order to make up for the lost incomes and to encourage a more rational utilization of resources: the tax on wages, the property tax, and the accumulation tax. The decrease of taxes connected to profits and proportionate to them, and the increase of taxes burdening resources will improve the financial situation of efficient enterprises and weaken that of less efficient enterprises. This is a correct process resulting from the basic principles of our economic policy, and it is served not only by the tax system: The price system and the elements of income regulation also have an influence in this direction.

Speaking about the new taxes, the finance minister said: A 10 percent tax is to be paid on wages. A principal reason for its introduction was the fact that the relative underestimation of live labor and its unfavorable effect on technological development have been criticized for a long time. As we are unable to eliminate in 1985 several essential causes of the underestimation, such as the large-scale consumer price subsidies or the lack of a general, personal income tax structure, we can render the real expenditure for live labor perceptible through a new tax.

In view of actual economic conditions, the range of the tax on wages could have been set higher. This, however, would have caused changes in quite a few branches that many enterprises would be unable to counterbalance quickly with better management.

Here, however, we are talking about a process that we intend to continue: Thus, for instance, it is our determined intention that in 1986 the enterprises pay their town and community development contribution, which is currently done proportionate with profits, in an identical, general sum proportionate with wages.

The property tax, whose general rate is 3 percent, is to be paid by the enterprises according to their net property. This tax also reflects a certain profit requirement. Its introduction has contributed to eliminating the centralization of amortization. We regard it more economically favorable than the previous one because it does not explicitly burden the enterprises using new technology and machines, and, as the tax is to be paid according to net property, it somewhat decreases the burden of those who have taken upon themselves the risk of large-scale credit in order to modernize their production structure.

The enterprises' bases have been burdened until now by quite a few different kinds of separate taxes, separate payments. These will cease, and the introduction of a single tax will take place: the accumulation tax, whose rate can be established between 0 and 25 percent. According to the conceptions, this tax may change on an annual basis or at determined intervals because it is suitable for rationally influencing the ratio between consumption and accumulation. This tax will burden the accumulation expenses and not the enterprises' financial sources. Thus, it will encourage the enterprises to save their sources if they cannot find development possibilities of suitable efficiency in their own plants.

Rules and Exceptions

An often and much criticized element of enterprise management is income regulation. Therefore, beginning with next year the enterprise operating under perceptible market supervision and limitations will be able to implement new income regulation. The new so-called income-level regulation directly harmonizes the enterprises' efficiency and workers' income possibilities. It is based on the taxation of all income -- and not of the wage growth -- and it better expresses the nature of the wages as a real expense. We know that at certain enterprises the payment of even current wages causes problems if these latter are burdened by income tax. Therefore, the enterprises have the possibility of continuing their management in a system similar to the old one, instead of the new system.

In cases where only a rather low income can be attained due to different objective conditions, the system of central income regulation applied so far will essentially remain in effect, because in these cases we can recognize with certain preferences the situation of certain branches or their need to be changed. The enterprise tax system contains, of course, certain exceptions, too. We regard the majority of these as temporary; at the same time, however, the tax system must also take into consideration the lasting particularities. Thus, for instance, the agricultural enterprises and certain food industry enterprises, which pay taxes according to their gross incomes, will not pay property tax and tax on wages in the future, either. They will pay an accumulation tax, the rate of which will be differentiated and adjusted to their capability.

The economic activity of the enterprises is successfully supplemented by the small group ventures. In addition to the generally favorable experiences, it can be noticed that small ventures operating within the framework of the enterprises are in some cases not exclusively created for the efficiency of the activity, but in order to circumvent the rules or as a result of the artful choice of the most advantageous ways. Therefore we find it necessary for the small ventures operating within the framework of the enterprises to work under the fullest and open supervision of the collective; it must be ensured that their activity serves the entire enterprise and the benefit of the entire collective, too. It is also justified for the tax burden of these small ventures -- not including of course household farms, small trade, and small artisans -- to increase somewhat in 1985 and thus move closer to the tax burdens of enterprises.

It is clear from the size of the planned tax incomes that objective conditions do not permit a general tax reduction. Developing the tax system is justified not by this but by the overall economic policy requirements. Our aim, at the same time, is to in any way increase, within the given framework, the enterprises' decisionmaking possibilities and their scope to maneuver, and at the same time we intend to enlarge their possibilities in spending the income at their disposal.

Changes in Financing

We will eliminate the rigid separation between the development and allotment sources and funds. We will create a uniform interest fund; more than that, it will also be possible for the currently separated reserve funds and the many types of reserve funds that are regulated extremely differently to also be transformed into a uniform profit fund. A further measure is that the enterprise social welfare fund will be burdened by a much lower tax than previously if the enterprise supplements it from this interest fund.

According to the provision of the plan and budget, in 1985 the total investments of the socialist sector as a whole will attain the current level. This of course will enable the implementation of more investments in certain areas and fewer investments in other areas. At the enterprises this plus or minus depends primarily on their own achievements, their profitability, and their practical conceptions, and on the availability of credits for this.

The production infrastructure making up the background of the entire economy -- for instance transportation and the post office -- will be given greater investment possibilities than previously, and at the same time the nonmaterial production branches' investments will somewhat decrease. At the same time, however, we will increase the sums available for the renewal of roads, bridges, budget institutions, state dwellings, and we will ensure the further development of private housing construction with suitable measures and credit supports.

Speaking about investments, the minister mentioned: In the draft budget the government is requesting authorization to carry out this year changes in the financing system of the state enterprises and primarily of the central investments. As he said, the analysis of considerable central development projects carried out in the past years shows that the burden of investments has been carried slightly unilaterally by the banking sphere.

The budget situation now makes it possible, and the development of the banking and credit system makes it necessary for the state budget, starting in 1985, to take a greater role in financing development projects, primarily in certain mining and power station investments. In fact, with this financing the conditions of economic activity of the units in question are also improved.

If the government is given this authorization, the credit covering fund will bear the burden of the growth present here; this does not affect the position of the budget as a whole. Of course we will report about the changes in detail in the course of the final accounts. A decreasihg but still considerable part of budget expenses is made up of subsidies and tax returns. Most of them can be justified economically and by international practice, for instance the export-tax restitutions, the socialist interstate accounts, and certain agrarian and consumer price subsidies.

We must, however, further advance on the road to curbing inefficient economic activity and reducing outdated, inefficient subsidies. The interests of the people's economy and of the community have priority in this respect over the group interests of certain enterprises of smaller strata.

The fact that some of the enterprises can fulfill their payment responsibilities with difficulty or can never do so is an old problem for us. The existence of enterprises that are unable to adjust to the requirements for a long time may be in danger. This adjustment is required not only to safeguard the interests of the people's economy but also to safeguard the interests of the partner enterprises. In 1984, unfortunately, we were forced to liquidate one or two enterprises without a legal successor. In order for such liquidation to be carried out as quickly as possible and with as little loss as possible, it is necessary to support this procedure with new regulations. Thus, in the coming 6 months we intend to create a high-level regulation concerning this liquidation.

In addition to the budget, we have already created an intervention fund which, beginning next year, will be placed in the service of the uniform market supervision activity. Its aim is to avoid and overcome for a limited time -- and only for that limited time -- disturbances in the economic turnover process until these disturbances can be avoided in other ways by the basic means of management. Handling the fund outside the budget is justified by the fact that these disturbances cannot be foreseen, and they thus require midyear measures which cannot be submitted to whole-year approval.

Social Policy Measures

Istvan Hetenyi also spoke about the most important questions of the budget and the standard of living policy. As he said, the wage policy measures to be taken during the year and the income regulations -- also taking into account the proposals of the trade unions -- will, according to the estimates, result in an increase in incomes of 7-7.5 percent. The consumer price level may increase by 7 percent at the most; it is justified to provide this figure. Thus, we are going to maintain the level of real wages next year.

Some 3 percent of the price level increase will be accounted for by unavoidable price measures to be taken by the central authorities. The price increase is justified primarily in the case of products and services where the heavy burden of subsidies from the budget can be cut without harming basic social welfare considerations.

In the broader circle of those who are not active wage earners or are dependents, we will count on the partial compensation for the effects of certain central price measures, as has been our practice for several years.

In addition to the regular annual increase built into the system of old-age pensions, the pensions of those living on less than 3,000 forints a month, and in addition to the social welfare benefits, the income supplements of those receiving child care benefits will be increased by 80 forints a month for each child. Family allowance will also be increased by 40 forints for every child. We will also increase the costs of institutional catering, but child and student welfare organizations will not pass this increase in prices on to those who use those services.

We are undertaking even more in the sphere of social welfare measures. The requirements of modernization and of greater adaptaion to the changes that have taken place in socio-economic processes have become stronger. In this spirit the government recently reviewed our population situation and made its long-term plans public. At the initiative of the trade unions, beginning 1 January families with three or more children will receive, for each child, uniform increased benefits totaling 840 forints a month, an amount that includes the 40-forint compensation mentioned earlier. Family supplements for children living with chronically ill parents or foster parents will be over 1,000 forints. The gradual reorganization of the system of child care benefits will create better possibilities of care for small children. As a first step in this process, we will introduce probably in March, a so-called child care fee which will apply, for the time being, to children under 1 year of age and will supply an amount related to incomes and proportionate to the sum of sick pay. In addition to those who already qualify, child care benefits will also be extended in the future to university students. Beginning with the next academic year, we will increase the scholarships of skilled worker apprentices by 50 percent.

Beginning 1 January the sickness benefits system will be altered in several respects. The value of sickness benefits in proportion to wages will increase in the case of those suffering from illness lasting over 30 days and receiving treatment in a hospital. Young people who are starting their careers will also receive a higher rate of sickness benefit of 75 percent.

As a result of the significant measures just mentioned, and also in part to pay for these higher benefits, the basis on which sickness benefits are calculated will change; in the future they will be based on net income. The government has concluded that this system is more adequate for social justice and provides a better proportion between those with low and high incomes. One must be aware of the fact that this arrangement can exert a truly positive effect only in conjunction with strengthening discipline connected to sickness benefits; to achieve this there is a need to make supervision more severe.

Public Education and Health

The expenditure of budgetary organs and institutions will increase by nearly 10 percent next year. We will continue to devote special attention to the development of public education and health. The educational-cultural expenses will increase by nearly 7 billion forints. In education, content development will be brought about by the introduction of new educational plans and instructions in new subjects of study, the development of foreign language instruction, the expanding of optional subjects in general schools, and the introduction of day-time technical instruction. The number of general school classrooms will increase by 700 and the shift system of instruction will be somewhat reduced. The proportion of day students will increase from 42 percent to 46 percent.

The reconstruction work in scientific universities will continue, and ways will also be open for the renewal of other institutions of public education. The budget provides more than 39 billion forints for health, supplemented by an additional 10 billion forints to subsidize the price of medicines.

Institutional expenses in the health and social branch will increase by almost 14 percent. We will supply central aid for the gradual creation of conditions of higher-level medical assistance and of better adjusting this assistance to the requirements of the illness. In addition to constructing new health institutions, an equal task has become the renewal and reconstruction of existing ones. The country will receive several new health institutions. After the National Accident Institute, completed this year, the reconstruction and enlargement of the Nyiregyhaza, Esztergom, Gyor, and Miskolc hospitals will be concluded next year, and the Szeged University of Medical Sciences will expand. We regard as a considerable measure the fact that for the time being we will start to set up uniform family care centres in certain counties.

Society trustfully counts and relies upon youth and pays special attention to the improvement of conditions for its development. In addition to the population policy measures and their supplementation, we can best ease the problems of youth by improving the conditions for housing construction; we will also take new measures in this area.

It is heartening that the housing construction program stipulated in the 5-year plan is being fulfilled. This has been made possible by the fact that we have carried out changes in the conditions of housing construction and purchasing, taking into consideration the social points of view and society's capacity of burdens.

In spite of all this, the problems of obtaining housing are well known, but the desire to help is not lacking. In 1985 we will be able to help those most in need of housing with new measures. We will gradually take into account the income, social situation, and needs of families that are building or purchasing homes.

The problems of families with several children will be alleviated by raising the so-called social policy allowance benefit for the third child who lives with the family from the current 40,000 forints to 80,000 forints. An increased preferential credit will be available for the conversion of attic space, construction of additional floors. and construction of extensions. Young people will also be able to receive several separate loans on the basis of their youth saving accounts. We will also enlarge the rights and possibilities of employer support in the future. These will also be available for loan repayment installments. The individual needs can best be taken into consideration by the councils. This year already, many councils spontaneously developed a system that serves this aim. We will considerably increase the sums available for such goals. In addition to this we will continue the renewal of state tenement houses, and the allocations for this will increase by 16 percent.

Data and measures show that we have taken upon ourselves the solving of no small task. As things are, of course, our resources are limited. Putting public education, health, and housing construction in the forefront is necessarily followed by the fact that there will not be enough strength left for fulfilling other justified requirements, and this encourages us all the more towards economical management. A process has also started here in the circle of state organs, and this can in no way be weakened. In the budget we tried to take this into consideration and we will take further steps to rationalize the budget management regulations and the operation of institutions.

As the councils are directly handling the greater part of the sums influencing living conditions, it is particularly important that the councils continue good initiatives, and discover and make available those additional sources inherent in greater independence, more efficiently performed work, and social solidarity.

Next year, too, the state budget will ensure the means necessary for preserving the country's defense capability, for its development in harmony with our international obligation and our economic possibilities.

The year 1985 will be one of outstanding political events. The 13th MSZMP Congress and the 40th anniversary of our liberation obliges us to draw up an account and to set new tasks. We are aware of the fact that our plans and deeds are shaping both the future and our destiny. It depends primarily on us what the future will be, and whether the future and our destiny will emerge as we would like. For the implementation of our conceptions there is a need for the active contribution of all our citizens, for their resolute action, said the finance minister, in conclusion, and asked the National Assembly to debate and approve the submitted draft law.

PRESIDENTIAL COUNCIL APPROVES SRV AGREEMENT

LD282039 Budapest MTI in English 1718 GMT 28 Dec 84

[Text] Budapest, December 28 (MTI) -- The Hungarian Presidential Council met in session Friday and approved the Friendship and Cooperation Agreement With Vietnam, signed in Hanoi November 21.

The council modified laws and decree-laws that are to facilitate the improvement of the system of economic management and the expanding of company room of manoeuvre. It resolved that TIT, the Society for the Dissemination of Scientific Knowledge, will become a social organization. The move will enhance its independence and assure more rights for its elected bodies. The government is to authorize the minister of culture and education to supervise TIT's work on the part of the state.

NEW BANKS' CREATION BEGINS SYSTEM RESTRUCTURE

LD310127 Budapest Domestic Service in Hungarian 1730 GMT 30 Dec 84

[Text] Three institutions of the Hungarian National Bank are to become independent in January. They are the Innovation Fund, the Enterprise Fund, and the Budapest Institute, the last of which will be renamed the Budapest Credit Bank. These small banks are being established as part of the further development of the economic management system. Their task, as implied by their name, is the financing of various ventures. Their greater independence is expected to result in more flexibility. The restructuring of the banking system has been preceded by a debate within the profession for several years. The separate existence of these banks is, in practice, the first stage in this process.

JARUZELSKI CLOSES PZPR CC PLENUM, VIEWS 1984

AU281303 Warsaw TRYBUNA LUDU in Polish 24-26 Dec 84 pp 3-4

[Speech by General Wojciech Jaruzelski, first secretary of the PZPR Central Committee, at the close of the 18th Plenum of the PZPR Central Committee in Warsaw on 22 December]

[Text] Esteemed comrades: The current plenum is the last meeting this year of members of the central party authorities. Hence comes the need, which was brought into strong emphasis in the discussion, to take stock of the kind of year we have had, and of what we expect in 1985. We will soon usher out a year that has been busy and fruitful all in all, one of those years in the Polish calendar of which one can say it was not an ideal year for our socialist homeland. It has also been a time of enormous efforts by our party, its echelons, and organizations, and a time of strenuous work by the Central Committee and Politburo. We view with respect the attitude of the bulk of the Polish working class, the farmers, and the intelligentsia. In conditions that were often unfavorable, in which one thing gives way and another snaps, in which many citizens continue to be weighed down by the burden of everyday life, working people have demonstrated over the last year that they support the party program with their actions -- a program that seeks to strengthen our homeland.

But let us not picture reality more beautifully than it is. Not everyone in our country has played an equal part in the achievements of the past year. Not everyone has a clear conscience, even if he does mouth high-sounding words thrice daily. This was the import, as I understand it, of the critical speech given by Comrade Niepokulczycka. For there was not a shortage of people who obstinately dragged Poland backwards. But these people were not the ones, however, who determined the main direction of events. We have done quite a bit. There is no area that has not seen progress to a greater or lesser extent. The areas of greater progress give one satisfaction; those of lesser progress leave one still unsatisfied. That is why we are still looking for effective means of fully translating the existing laws, resolutions, and decisions into a universal practical reality, of translating intentions into accomplished facts.

We often stress that the most difficult part lies ahead. This is not a mere rhetorical phrase. For things to improve they must become worse, for it is a matter of combatting one's own weaknesses, outdated bad habits, and reaching down to draw on ever deeper reserves. The 3 years have confirmed our determination to implement the line of the ninth congress. Despite all the setbacks, and despite the attacks of the opponent, step-by-step we have created the legal and system conditions for making the process of socialist renewal, which entails a consolidation of socialist Poland, an irreversible fact. We have not been able to avoid errors. Sometimes they were the result of haste; sometimes they came about simply because one was reconnoitering new terrain or new forms of activity, or was learning what I would call the more difficult Poland. But there is one sin we certainly did not commit: the sin of giving up.

There have already been several occasions on which, following periods of keen tension and sociopolitical conflict, a large number of things have fallen back into the old rut. This time our party is acting differently. It is giving proof of its fidelity to the Leninist injunctions, of its consistency and pertinacity in the implementation of the program of the ninth congress. Looking back on the last 3 years -- and what difficult years they have been -- one can perceive in full the achievements of the work of the Sejm.

The coming year will be the last of its present term. Undoubtedly, history will dub it the Sejm of great legislation. Our people's parliament has penned a glorious page, framing in legal norms the rich current of socialist renewal. We also count on it to correct the small number of cases in which laws have gone too far ahead of economic conditioning factors and the level of social awareness in particular milieus, or in which they fall behind reality. The Central Committee is persistently aware of the fundamental goal of all these activities: the full reconstruction of confidence in the party and the restoration of genuine political, social, and moral authority to our ranks, from top to bottom. This is the common factor in our activities.

The reports and discussions have dealt with the basic elements of the party's achievements last year. Thus I will not revert to them or go into them at greater length. I would just like to recall what have been milestones of a kind. For the party these have been: the report-back and election campaign, which was responsibly conducted and rich in assessments and proposals; the national conference of delegates, which was an unambiguous confirmation and enrichment of the line of the ninth congress; the 16th plenum, which was without precedent in terms of contents and form and which dealt with the issues that continue to be the most important for the party -- those of its parent class; the 17th plenum, which gave specific form to the program for consolidating the state, and for developing socialist democracy, the rule of law, and discipline. The class union movement reached a qualitatively new stage of its development -- the creation of the National Trade Union Accord [OPZZ] -- making it easier for it to play its momentous role in the system. Our party firmly favors this process. The law on people's councils began a new chapter in the history of socialist democracy. It developed on an unprecedented scale and consolidated the practice of consultations in the party, in society in general, and in individual milieus. The elections to the councils and recently to the self-managing bodies of residents; the celebrations of the 40th anniversary of People's Poland; the broadening of the scope of the Patriotic Movement for National Rebirth [PRON] and its valuable initiatives -- these were the hallmarks of progress along the road of national accord.

Susceptibility to hostile slogans has diminished. We have made significant steps toward normalization and stabilization. The wide-ranging amnesty contributed to that, among other things. The recent provocation, threatening our party's line and the socialist state's interests, has not caused a breakdown of these positive processes, although in some sections it has complicated and disturbed them. The survivors of the anti-socialist extreme, in particular, are surfacing. We shall not in any form allow their activities to be legalized. We shall react adequately to the requirements of the situation. Openness of actions, thoroughness, and consistency in fighting breaches of law and order have once more made our intentions credible. Law must be law. Whoever, and from whatever positions, breaks it must suffer the adequate consequences.

Comrades, proposals and thoughts originating in the party, especially at the Central Committee plenums, are not swept under the tablecloth as in the past, that proverbial green cloth of the party and state bureaucrats of the past. Fidelity to the line of the ninth congress is confirmed by the transparency of our actions. We even publish plans and timetables for the fulfillment of tasks set up by each plenary session of the Central Committee. It has beomce a rule that we make public the assessment of their fulfillment.

Those comrades who are in touch with the administration know that similar government schedules are signed by deputy premiers and ministers, and every one of them is responsible for their prompt implementation. However, when I looked through the resolutions of the Central Committee's plenary sessions, as well as my own speeches at these sessions, I felt unsatisfied.

I feel the Politburo's and my own responsibility for the fact that some of the just concepts and intentions were not fully carried out. It is, for example, difficult to count as an achievement this year a significant improvement in the work with the young, in the sphere of the quality of production and services, or in housing construction. These are some of the examples. One used to say some time ago that the road to hell is paved with good intentions. Today one can say that roads to failures, breakdowns, and conflicts are paved with just resolutions not implemented. But our efforts are immense. The pact of the party's work is becoming faster and faster.

Nevertheless, the effects are clearly disproportionate to the intentions. We have not managed to eliminate the disproportion between what we intend to do and what we actually achieve. What is the cause of this state of affairs? In the past there was a vicious circle here. The so-called top complained that the grassroots did not appreciate the deep wisdom shown in its every action. The grassroots, on the other hand, were angry that the top did not understand the real conditioning factors, that they did not know what really went on in the country; in practice the key implementation mechanisms were failing at all levels. This is what we are beginning to gradually overcome.

A year ago we said at the 14th plenum that implementation means first of all discipline. Is there a way to safeguard it? Those who do not understand the resolution should have it explained. Those who are unable to carry it out should be taught how to do so. Those who are reluctant should be persuaded, or -- let us say it clearly -- forced. Justice is the negation of leniency. The ability to demand and make clear to all a principled line of action is always worth it in the longer run. That is why every secretary, director, boss, or supervisor who is friendly to people and observes the socialist norms, but does not play the good uncle, must be sure that the party will help and support him.

We worked many years without adequate executive tools, especially without an effective cadre policy, thorough control, and multisided assessments. In this respect we have made significant progress. For example, has a system of comprehensive control of voivodships ever existed in the 40 years since World War II? When before did we have so many spotlights on the majority of the managing positions? Who knows whether the launching of this and other elements of the modern implementation system are not the main point in the achievements of recent years?

The comprehensive principles of the cadre policy approved by the 13th plenum must be singled out here as part of this achievement. The process of implementing them to the end requires time. At times, this process requires that all sorts of obstacles be overcome. The procedure of putting people who fully deserve a promotion forward and the procedure of withdrawing recommendations and recalling those who have let us down from their managerial posts require further work to improve them.

Cadre assessment -- and we know this from letters to the Central Committee -- tends still to be superficial, failing to take the whole picture into account. At times, this assessment can even be tendentious.

But after all, the assessment one gets is, not infrequently, a more important element of the process of management, persuasion, and upbringing than other elements of this process. Dissemination of good experience remains a weak side of the work. We should give prominence to those who want and are able to work. Summing up the main thrust of the discussion which took place at our plenum one can say: implementation efficiency, ensuring efficient execution of tasks, having fewer new resolutions, but greater, much greater dissemination of the solutions agreed upon and making sure that they have been implemented. Such is the task that must guide us in the coming year of party and state work.

Esteemed comrades, the Politburo report and information given by the Council of Ministers extensively set out the results of the current year and the economic tasks for the coming year. This makes it possible for me to sum up in brief merely some of the most important problems and tasks of the party in the economic sector.

We think that 1984 was on the whole a good year for the economy. Progress has come to almost all the sectors: to industry, agriculture, market deliveries. Management efficiency has improved. Labor productivity in industry exceeded the highest level of 1979. Inventions and rationalization work have picked up. The money and market situation is better. Signs that the currency is becoming stronger and that savings are more and more profitable again are already tangible.

Hence, if you look at the past year from the viewpoint of statistics, the improvement is indubitable. But, after all, it is not the statistics that the working people and the whole of the public take into account when they make their views on the state of the economy known. Statistics express the general truth. Particular truths are more complex. We study carefully the letters that arrive at the Central Committee, Council of Ministers, and other institutions sent by citizens who belong to the party and those who do not. These letters contain much bitterness and, frequently, justified criticism.

However, these letters do, sometimes, contain oversimplifications, betraying ignorance of economic realities. There is criticism of the housing conditions and prospects for their improvement. There is overcrowding of schools and hospitals. Municipal services frequently break down. Difficulties in purchasing basic goods still persist. The way and manner in which citizens are served give rise to a not insignificant number of reservations. Disproportions between various amounts of old-age pensions and retirement pay give rise to resentment.

We have been discussing the problem of wages and prices, and the consequences of this problem for the household budgets of certain social strata and groups still continue to be painful. The OPZZ Executive Committee has published its position with regard to next year's economic goals. This document reflects concern for the quality of life of Poland's working people. We understand, respect, and fully share these intentions.

During work on the 1985 plan and budget, we studied many times all possible ways to limit price fluctuations. We also studied ways to improve the market situation and increase real wages. However, we must stand firm on the position that there are severe realities and unavoidable necessities. These make it imperative to approach the complex problems of wages and prices with concern and seriousness. It is in this spirit that we shall carry out extensive and genuine consultations, above all with the trade unions and the working class. We hope that apart from views and opinions on the proposed measures, the consultations will yield an abundant harvest of initiatives to strengthen labor discipline, increase output, and improve quality and efficiency.

Combating bad management is to a large extent a matter for the unions; it is a matter of their positions and their authority in defense of the interests of the working people and not just an issue for the management, party organizations or self-management bodies. A simple principle rules here: You cannot have something for nothing.

The positive results of introducing economic independence for enterprises are an achievement for all of us. However, literally not a single day passes by without the control organs letting us know of cases in which the spirit -- and even the letter -- of the regulations governing the functioning of the economy are violated.

Let us just mention the issue of enterprises abusing their independence when they agree on work rotas, something that Comrade Gebala spoke of yesterday. Other forms of pursuing one's own, particular interests also occur; Comrade Otawa spoke of this. And last but not least, extreme cases do occur, and here is the most recent example of this: a case currently under investigation by the prosecutor's office. In the Gdynia Energoblok Wybrzeze Enterprise, financial inspection uncovered scandalous waste and financial extravagance. There were balls and alcoholic receptions in attractive hotels and tourist and leisure centers to mark the enterprise' 10th anniversary or for production and other conferences. There were buildings for employees costing Z60,000 or so a month and construction of one-family houses for management and employees was paid for out of the enterprise' funds.

We cannot but be alarmed by these side effects of incorrectly conceived and abused independence, since they create immeasurable social harm. I talk about this because I am concerned about our own party matter: the success of economic reform.

The results emphatically show that it is passing the test, that today its fundamental current is already irreversible. After 3 difficult years of pioneering, the time is ripe to speak of a new system for the economy rather than of a reform. It has already yielded considerable positive effects. These include, among other things, the good start made by the works systems of remuneration. From an analysis carried out by the Ministry of Labor, Wages, and Social Affairs it has become clear that during the first half of this year the enterprises where these systems had been introduced achieved a rate of work productivity 20 points higher than the economy as a whole. This means that they achieve within a single year a rate of production growth that it takes other enterprises 4 or 5 years to achieve. Thus we must proceed more rapidly and on a broad front along this road.

The issue of frequent complaints about the restrictions on wage growth is also worth mentioning. Our attitude on this matter is clear: So long as production is rising, costs are dropping, and quality is improving, there are no artificial ceilings on the growth of wages. For instance, in the Norbelana wool industry works in Lodz, over 10 months this year the average wage rose by 35 percent. But work productivity increased by as much as 41 percent. In the Syntax hosiery works in Lowicz wages rose by 22 percent, but work productivity was up by 27 percent. The latter enterprise is of interest for another reason. All of the rewards and profit for distribution from past years was set aside by the work force for the purpose of modernization. This made possible a considerable increase in production. The earnings of the employees of Syntax are growing without any need to set money aside for the professional incentives fund, which has been criticized so severely by certain enterprises.

Out of their concern for the reform, many comrades have pointed out the need to stabilize its principles and mechanisms, and to consolidate everything that passed the test, while at the same time making the corrections suggested by acutal experience. With this end in mind, broad consultations will soon be held in the enterprises. Then, before the first half of 1985 is out, I propose that a national party and economic session on this subject be organized. The conclusions that emerge from it, when recast in the form of directives, should provide the basis for lasting and stable principles and mechanisms for the functioning of the economy during the coming 5-year period.

Comrades, our economy has at its disposal enormous domestic reserves which have still not been exhausted. I have pointed to these using, among others, the example of correct incentives that motivate. Still greater reserves exist in the quality of goods.

We do not wish to deal in cheap rhetroic. Quality always depends on the general state of technology, on the quality of raw material, on the precision of machines and installations.

Sometimes radical changes require high expenditures and can be implemented only gradually. But that is only one side of the question. As it transpires from appraisal by experts, 60 percent of the present qualitative defects are caused by subjective factors. They are caused by negligence, in organization and control, in performance and labor discipline, and in planning, production, transport, and storage. For example, one instance of defects and faults in housing construction is widely known. Putting this right will cost over 50 billion zlotys, which is almost the amount spent every year for socialized housing construction in the three largest agglomerations of Silesia, Warsaw, and Gdansk. This is not only a matter of money, but also of materials, building, and scientific and research potential. Thus some bungle; others investigate how to set it right.

Here is another example. At the 14th plenum I spoke about the quality of casting. But how can one fail to return to the subject when at a branch of the Ursus mechanical plant in Sulecin the complaint rate concerning engine castings exceeds 60 percent. We have good legal solutions as far as quality is concerned. If they have to be supplemented, enriched with new experience, it can be done quickly, inter alia, by application of very interesting Bulgarian solutions which are not widely known here, or by a return to the practice of good labor competition, to a method of defects, or to a pledge by Wiktor Saja 30 years ago: I will not produce defective goods. It has been done all over the world in the East and in the West, but here the idea that things will somehow be all right still prevails in many places.

However, not everyone complains about objective difficulties. There are many work forces involved in production for export which can take pride in their achievements where the quality is most important. Here I want to give a few examples: The Rafako boiler plant in Raciborz, the Pafal plant in Swidnica which produces electric meters, Krosno glassworks, Lucznik, metal plant in Radom, the Fazot plant in Tarnowskie Gory producing mechanized face lining, a steel plant in Stalowa Wola producing bulldozers, institute of plasma physics and laser microsynthesis producing infrared detectors and many, many others.

When we face difficult economic issues the questions, doubts, and even disappointment arise because progress is too slow. We all share this feeling, but let us remember how much we have achieved in recent years and under what difficult circumstances we have done so. Questioning this achievement would diminish the significance of honest work done by millions of people.

Comparing the advancement of economic tasks after 2 years with provisions of the plan for 1983-85 one can closely see that we should fulfill them and in some cases even exceed them. How many years have elapsed, comrades, since fulfillment, let alone overfulfillment of a many-year plan was discussed? Fulfillment of next year's plan will crown the 3-year period of 1983-85, and will set a solid base for the 5-Year Plan of 1986-90. We do not have a great leap in mind; that has already been done with known results. It is not only our nation that can see that such leaps end with a painful landing. What we need is a safe and straight way.

We hope that we shall have a balanced, steady, and smooth development. Work on such a plan has been underway for a long time now.

Comrades, the party cannot leave any matter that is important for the country outside the range of its interests. However, it is necessary to define a few problems which are particularly important and which are more pressing than most, from the social and economic point of view. The party should deal with these problems in a special way, piloting them so to speak, over the next few years.

Among such strategic problems one should include: first, the quality of production and services; second, housing construction and allocation and distribution; third, electronics, including in particular robotization -- Comrades Kurdziel and Kolodziejski advocated this issue so persuasively; fourth, making sure that there is a greater and faster flow of traffic along the science-industry line. Among other things, it is with this purpose in mind that we intend to organize in the near future a national meeting of scientists and those engaged in practical application, producers and inventors. The work of the government committee for scientific and technical progress will undoubtedly yield principally new stimuli in this area.

These problems will also surface during the next plenary session of the Central Committee devoted to the intelligentsia. There are also many other painful problems that influence, in particular, the standard of life and the way in which the country's needs are met. It is, for instance, worthwhile to consider carrying out a special party-state social review of these areas. I think that among these areas can be the dairy industry and, perhaps, other agricultural processing industries, the pulp and paper industry, the printing industry, and rationalization of imports.

In this context I wish to note that in a number of areas a great deal is wasted for one reason only: because we cannot afford commensurate sums to spend on developing the processing and storage industries. Comrade Huss spoke yesterday about the losses caused by the insufficient amount of resources for these purposes. It is with interest, too, that I read the remarks made by Comrade Rekowski in the statement which now forms part of the protocol compiled from our proceedings. It is an acute problem. We intend to earmark more resources during the next 5-year plan to solve this problem.

Comrades, the Politburo has examined the government's report on the present system of social benefits. We are ready to set up a party-government-trade union commission as suggested by the 14th plenum. The commission would carry out an in-depth review of this range of problems and would also prepare appropriate conclusions.

But one can already see now -- and the consultations following the 16th plenum have confirmed this in full -- that a number of system-related loopholes, through which dishonesty penetrates, exist in this area. One can mention the phenomenon of raising old-age and retirement pentions by artificially raising the basis upon which they are calculated. One can also mention financial extravagance -- Comrade Charczuk spoke about it yesterday -- such as in frequent call-outs for the ambulance service in completely unwarranted cases.

On the other hand we have so many unmet needs, so much human misery, so many situations that require help. Hence, it is necessary to put the dicussion, which has been going on for a considerable time now, on the areas in which our state exaggerates its welfare activities and those in which they have been decreased, on a realistic basis.

Work on a report on utilization of labor time and employment problems is nearly completed. The party will attach special significance to utilizing this work in practice in the coming year.

Radoskor enterprise' initiative is a valuable one; Comrade Grzyb informed me of this. This initiative is linked with working out a kind of photographic imprint of the working day and it is worth disseminating. Parallel with this, it is also necessary to make use of the Soviet experience concerning job definitions.

A few words on a topic which has been dealt with repeatedly: the struggle against the economic underground. As a result of implementation of the decisions reached by the National Conference of PZPR Delegates and the plenary sessions of the Central Committee, this struggle has been stepped up and is gradually yielding better and better results.

This is attested to, among other things, by the data contained in the recently published report of the committee under Comrade Kiszczak's chairmanship. In accordance with what I promised at the 17th plenum, Central Committee members yesterday received an extensive document compiled by a competent group of government experts. The document embraces the entire range of problems of the nonsocialized sector in statistical, economic, and sociological categories. As I mentioned yesterday, this compilation should become the basis for discussion at the next consultative meeting of the Central Committee. We also proposed that appropriate conclusions be prepared by a joint PZPR-SD commission.

Our party's position is unequivocal: What is honest and what is needed by society must be protected and supported. What is harmful and what makes a mockery of social justice must be persecuted, removed, and liquidated. This is our entire philosophy; there is no other.

Comrades, the year 1984, as Comrade Zieba recalled here yesterday, yielded a good harvest and a generally good situation in agriculture. One must express appreciation of Polish farmers' toil and plentiful harvest. However, one has to work today so that the following year is also good. We cannot forget, not even for a moment -- and our party and the ZSL have this in mind -- that the food problem still remains unresolved in our country.

We still import millions of tons of grain and fodder. Livestock breeding lags far behind the requisite level. The continuing low productivity does not make it possible for us to conduct ourselves with pride. This year was good, but who knows what next year will be like? We are still too dependent on the vagaries of the weather. Our agriculture cannot compare with agriculture in many other countries. Side by side with regions that boast high agricultural skills, there exist quite sizeable enclaves of backwardness and downright primitivism at times.

We have a lesson to learn from the socialist countries where purshasing of one kilogram of sausage does not cause such a problem. We want to organize next year's harvest festival in Opole. Hard-working, and not just today, radiant with thriftiness and good management, the Opole region this year again achieved one of the best results in agriculture in the country. Uncompromising in its struggle for the Polish ethos, the Opole region, together with other lands of the Piasts, was returned to the mother country 40 years ago.

Next year will bring two memorable anniversaries for Poland: that of the historic victory over fascism, and of the retrieval of the western and northern territories. In accordance with the resolution adopted today, we shall celebrate these anniversaries in a dignified way, aware of the enormous contribution of thoughts and deeds made by our party to the historical work of the return of the Odra, Baltic, and Lyna to Poland.

Comrades, in the past years our economy was influenced in an especially severe way by outside factors. Poland has never been a happy island. It constitutes an inseparable part of today's world, a world of sharp class conflicts. The present day is merciless for those who crawl along. It is the more important that the past year has brought about progress in our country's becoming resistant to the present difficulties. Socialist Poland has not allowed itself to be sidetracked. Step by step we are regaining the position due us in the socialist community and in Europe.

As especially significant steps in this process, I cite the visit of the party and government delegation to the Soviet Union and our meeting with Comrade Konstantin Chernenko in May this year, and the signing of the economic, scientific, and technical cooperation program between our fraternal states until the year 2000. Friendly meetings with the leaders of socialist countries took place recently with Comrades Janos Kadar, Erich Honecker, and Gustav Husak. We forecast further contacts. We are guided by realism in our economic strategy. Reorientation toward the socialist partners is becoming a fact and is being confirmed more and more. Our integration bonds with the CEMA countries are becoming stronger. An important step in this direction was the June summit. The internationalist help and support that we found and are still finding in the socialist community, and above all in the Soviet Union, have played a decisive role in breaking down the plan to make our country a whipping boy. That concept, abortive from the start, ended in a fiasco. Perhaps enough time has elapsed and enough instructive epxeriences have occurred to stop people from giving Poland marks for behavior, no matter what subjects various unwelcome teachers want to lecture us on.

Poland is interested in equitable forms of participation in the international labor distribution. Our production potential, domestic market, and long-term development prospects are significant indications of what we can offer.

We have stated many times that we can repay our debts on the condition that premises for normal development be created for the Polish economy on the part of our creditors. We count on their common sense prevailing.

Poland has its difficult problems, but it is not a humble petitioner which stands in foreign antechambers with hat in hand. The international standing of our country is decided not by one or another political whim, good and not so goodwill of foreign capital, but by our internal efficiency, integrity, and strength. The stronger socialism is in Poland, the better it functions and the stronger our international credibility. The closer our alliances, the more say we have on a broader international scale.

Esteemed comrades, there are still many objective difficulties. We are not hiding behind them, but one cannot escape them. Limited raw and material resources, a high level of foreign debts, restrictions and unfavorable price relations in foreign trade are realities. Insufficiency in the labor market accompanied by very high population growth are also realities.

In 1980-85 the population of our country will increase by over 2 million, which is equal to half the population of Finland; this has many consequences. I have repeated this on many occasions, sometimes ad nauseam perhaps. But such is our peculiar situation, which differentiates Poland from all European countries.

No other economy had to cope with such high population growth in such a short time, and simultaneously with such difficult conditions. We obviously will not improve the world for our convenience. We have to live and build in the world as it is, and in a country shaped by history. Only amateur politicians invent a Poland on the moon, and a different one every season. Once it was to be the 51st state of the United States, another time a kingdom of heaven. It is difficult to avoid a melancholy reflection here. How is it that in a country so religious, despite so many pledges, pilgrimages, and thanksgiving services, there is plenty of drunkenness, theft, and hatred of neighbors?

The people's authority never set any obstacles to the propagation of moral teaching that was socially useful, even if it was a result of a different outlook. Seemingly this teaching is not as efficient as one has heard.

Our party is responsible to the nation, to the world's revolutionary movement, and to history for our socialist state. It has to consider not only what is desirable, but also what is possible. The objective obstacles of which I spoke here cannot be overcome by loud shouts. But besides objective difficulties, there is also a subjective political and psychological obstacle. How fast we emerge from our difficulties depends most of all on how quickly we are able to overcome this obstacle. When there are not enough resources it is more important to mobilize forces and save resources. The first postwar years showed how a subjective factor could be a strong force of progress -- not because a mere success is decisive, but in a particular situation the human factor becomes a kind of free credit or injection of capital. Some work efficiently, others do not. This is now an average emerges. We cannot be satisfied with it. Time demands that we catch up with the best. This is the main field and the main expression of the leading role of our party, its aktivs and members, its echelons and organizations. There cannot be a place for stoppages, discouragement, and repetitive lamentations. It is characteristic that it is most often not those working diligently but those who like to lie down who grumble. Allow me a little caustic remark in connection with this. They say that among some tribes in the Pacific islands there is a grotesque custom. A man lies under a palm tree and groans and moans while a woman gives birth to a child. It seems that one can find some of these exotic customs also on the Vistula River.

More and more people come to the party not for easy tasks, not for an easy life. In June 2,368 people joined the party; in October 3,566 people; and in November 4,667 comrades. Over half of them are workers and peasants, and in the age group up to 29 years their number for the past 8 months has exceeded losses caused by expulsions and deletions. Therefore the party is beginning to regain its youth.

The ZMS is a main recruitment base. We expect that the members of the party aktivs of the remaining organizations will also be recommended to the party. In coming months the youth unions ZMS, the Scouts' Union, and the students' union will outline further tasks at their national congresses. The party's ideological and political inspiration and support and kind solicitude are indispensable for them. But I repeat once again, demand from yourselves before you begin to demand from the party.

Esteemed comrades, the high efficiency of implementation, that is to say, higher requirements and demands in every area and all sectors are at the very center of the report-back campaign due to start within the party soon.

The thought of the party's 10th congress, tentatively scheduled for the first half of 1986, obliges us to review the state and strength of all its constituent organizations, to assess in an in-depth manner what we have done and have yet to do so as to completely fulfill the ninth congress' historic decisions.

We should account for the implementation of the 16th plenum resolution with particular thoroughness. You do not get a sweet taste in your mouth just from repeating the word sugar. Likewise, just because one repeats the phrase workers party, the party does not thereby become a genuine spokesman for what the Polish worker thinks and feels today.

However, let us bear in mind that not everyone who stands by a machine acquires the proud name of a conscientious worker. So one is not talking here of the working class nature of the party in the sense of class egoism or a harmful, populist demagogy; one is here talking of rebuilding the factors of decisive importance for everything: workers' trust and support, consolidation of the party's daily links with the class; one is talking of disseminating ideological and moral values of the workers in the political and public life, relations between people, and upbringing and culture.

This is a very important aspect of the work on a long-term program for the PZPR. It will be a unique and downrignt invaluable opportunity to bring the party's ideological and theoretical armory up to strength, to deepen its Marxist-Leninist identity, to strengthen its leading role, and to let one's thoughts soar toward the socialist Poland of the 21st century.

Let us spare no effort so that the quality of the program discussion and its far sightedness, can become an incontrovertible proof that the party -- the same party, but not like it has been before -- goes forward in ideological and organizational consolidation and developing closer ties with the working people and the nation.

Dear comrade, today we do not bring beautifully wrapped and gleaming presents under the Polish Christmas tree. Nor do we hand out the gold foil that pleases the eye, because if those presents are on credit, one has to pay for it for a long time and dearly. Our table is still modest. However, our honest and solid work has made it more abundant than a year ago and much more abundant than 3 years ago. Patriotism among the working people led the fatherland out of the most difficult moments. It is these factors that will be decisive for the fatherland's future, and the same factors that ensure that the socialist tomorrow will be better.

Let us, from this hall, together with thanks for selfless efforts and activity, convey the best cordial greetings for the new year to all members of our party, to activists at all party levels and, in particular, to you, dear comrade, members of the highest body of our party, people who bear the highest responsibility.

Let us also convey our wishes to members of allied parties, the ZSL and SD, whose coming congresses will be followed with our sympathetic interest. We wish health and the feeling of well-performed duty to veterans of struggle and labor, who created the historical achievements of the 40-year socialist period. We wish successes in work and private life to millions of non-party members, our countrymen, and all Polish youth. Let the coming year heal old rancors; let it bring further progress in the great work for national accord. The good of our nation has been always the result of human labor. It is our greatest and most unfailing hope.

18TH PARTY PLENUM RESOLUTIONS REVIEWED

LD291612 Warsaw PAP in English 1427 GMT 29 Dec 84

[By Zbigniew Boniecki]

[Text] Warsaw, 29 Dec -- Resolutions by the PUWP CC 18th Plenum, the committee's third meeting in three years devoted to key economic issues, are expected to be published in the immediate future. The plenum determined conditions required from party organizations and enterprises for the implementation of the assumptions of the 1985 plan which in turn will provide good grounds for the five-year plan.

The plenum provided an opportunity for a number of general optimistic reflections, namely that the economy both this year and in 1985 will undoubtedly be marked by the continuation of conspicuous and lasting tendencies of growth and that there exists a progress, if uneven, in the effectiveness of the economy.

Hence, all in all, the three-year plan, aimed to animate industry and restore the basic segments of the market, indicates an essential overfulfillment of tasks in the field of growth and labour productivity, but at the same time reveals a number of threats.

Threats include:

- the failure to reach export target with regard to hard currency countries, which involved lower imports from those countries.

- the nearly 18-per cent growth in planned outlays for investments, with a simultaneous incomplete implementation of tasks in the field of production projects.

- the excessive growth in the population's incomes, although these are being partly balanced with a quicker growth in production.

This balance should be owed to the unexpected growth (8 to 9 per cent) in the market production this year. Hence, the state of balance is better than envisaged in the course of works on the three-year plan in 1982, the time when the market was ruined and the economy was bending under the first blows of economic restrictions.

The resolution on party tasks in the implementation of the 1985 Central Annual Plan, having pointed to the progress in several fields, focuses attention on negative phenomena. What matters is to mobilize the party and worker crews for overcoming those negative phenomena.

The resolution points out the necessity for a more complete restoration of economic balance, an improvement in the economic performance, control of investment processes, more economic consumption of raw and intermediate materials, and rationalization of employment. The latter applies to both improvement in the structure of employment and to various forms of increasing productive activeness on the part of society as a whole.

The fundamental thesis carries a statement that the party should effectively support perfecting the systems of the functioning of the economy, strengthen the role of the assumptions of the central plan, and increase crews' self-management and effectiveness.

This end should be served, among other things, by social, party and government reviews of the situation in a number of economic fields. The resolution also provides for the party's supervising such key issues as introduction of advanced electronics and automatization of production, transfer of personnel to direct production, and upgrading the quality of production.

A particular stress will be put on overcoming subjective weaknesses which delay the emergence from the crisis and hamper possibilities of a further development.

JABLONSKI GREETS PUBLIC IN NEW YEAR MESSAGE

LD312105 Warsaw Domestic Service in Polish 1900 GMT 31 Dec 84

[New Year message by Professor Henryk Jablonski, chairman of the Council of State, carried by Warsaw radio and Warsaw television studios on 31 December -- live or recorded]

[Text] Fellow countrymen, citizens of the Polish People's Republic: Last year, on New Year's Eve, I stood in front of you full of concern and anxiety about the future development of the international situation: new kinds of nuclear weapons in Western Europe, increasing aggressiveness by imperialist forces encouraging groupings of West German revanchists, freezing of the East-West dialogue, increased tension in every trouble-spot of our globe, Western restrictions imposed on Poland, and attempts to isolate it diplomatically. This was a dark picture of the world, which awakened the resolute opposition of all who wanted to protect humanity against a new war catastrophe.

That is why I ask you, esteemed fellow countrymen, to turn sympathetic thoughts to those who fought for peace during the last year, irrespective of their motives and their philosophy, because they share the awareness that peace is as indispensable for humanity as air is for everything that lives. Let us thank them for their resolute opposition to the further deterioration of international relations and for contributing to the situation which allow hopes for improvement, despite the fact that reasons for concern have not yet been removed and that there are still signs of new dangers.

Together with the Soviet Union and other socialist states we are among the most active fighters for peaceful coexistence of all nations. Therefore we are the joint creator of this hope. Let us wish ourselves, and all people of goodwill in the world that this hope will turn as quickly as possible into permanent reality. Peace in the world and calm in our own country are the necessary conditions for continuing the process of socialist renewal, for working in greater accord and productivity, for looking to our future and to that of our children and grandchildren with more and more confidence. This was fully confirmed by the experience of the passing year; it was confirmed by the 40th anniversary of People's Poland. We celebrated the anniversary modestly, without an excess of great words, but with a feeling of deep gratitude. We remembered those who, with their own blood, marked the road to liberation, and those who departed, or, due to age and loss of strength are enjoying deserved rest, who, in their biographies, recorded collosal efforts in the reconstruction of the country from the devastation of war.

We have said with just pride that 40 years of peace released the creative forces of our people, which transformed our country, modernized its economy, and made possible collosal progress in education and culture. In that 40 years we experienced the joy of victory and the bitterness of failure, as well as achievements, there were negative and painful phenomena. We did not hide them because it is human to err, but it is undignified for honest people to disown their own weaknesses and to not draw conclusions from them.

We were able to do this even more boldly because any nation can be proud of the results of our work, even a nation less damaged by the war than us. To this positive balance 1984 added new achievements of great importance for today and of even more importance for the future. For example -- I will mention only some -- undoubted progress in our normalization process has been expressed by improvements in the functioning of the economy; in the development of independent and self-managing trade unions, which, by the end of the year, were mature enough to form their own national representation; and also -- and this is particularly important -- a considerable majority of the community clearly demonstrated the will to take advantage of democratic constitutional reforms for active participation in, and joint responsibility for, co-management of the country. This was demonstrated by the elections to people's councils and by self-management among our citizens; this should bring improvements in living and working conditions for all citizens.

But let us not forget that they have also yielded a very important indirect result, namely, the broad amnesty passed by the Sejm after ascertaining considerable progress in the normaliztion of social relations. The papers cast into the ballot boxes created a key that opened prison gates. The progress made in normalization has shown once again, and without any doubt, that it is here, and here alone, between the Odra and the Bug, that the fate of our nation will be determined. It showed that all foreign restrictions and sanctions, assisted by a great propaganda machine seeking to sow anarchy among us are capable of damaging us, of slowing down the rate at which one emerges from economic difficulties, but are not capable of determining the road followed by the nation if it has the will to uphold its dignity, its state independence.

One also has to see this as the reason why the policy of imposing diplomatic isolation on Poland broke down. This is not just an important statement for us. Poland is too important a factor in the stabilization of our region of the world for it to be possible to progress without it when one thinks seriously of the fate of Europe and of the cause of peace and international cooperation. And, taken together, all these phenomena mean that we are seeing out the year tired, by still difficult living conditions, but with the awareness that we have not wasted it, that we have done much to give us the right to hope that next year, though it, too, will certainly be a difficult one, will represent a further stage of improvement.

Esteemed fellow countrymen, permit me to ponder, together with you, on what has to be done to speed up the positive changes in our collective, shared life. People's Poland, as created within the just borders of the Piasts, crowns the whole Polish historical process. Thus it draws vital strength not only from the work of the modern generations of its citizens, but also from everything that constitutes the achievements of previous generations, even the most remote. Many of the experiences of past epochs are also fully relevant today.

We are justifiably proud of our golden age, the period when the two first Zygmunts reigned and our country and its culture flourished. How many times has each one of us said with pride that Poland was then the country of great tolerance and, thanks to this, it did not know religious wars and we did not have the burning stakes of an inquisition? Are we to forget all this today? Are we no longer worthy of this magnificent inheritance? Are we to reject the lessons of those times?

We have entered the way of agreement and cooperation of all Poles. We have seen our first, not sufficient, but nevertheless visible, successes. No one and nothing can shift us from this. We must not, in the name of the good of the nation or the state, allow it. Such is the unshakable will of the state authorities and the will of the main political forces in our country.

Such is the best understood interest of the whole of society. We must continue to consistently repeat -- to all those who hesitate, who do not trust, or even those who today are still poisoned by fanaticism and who still do not understand that anarchy means a road to nowhere -- we must repeat: Irrespective of what you did yesterday, if you want to work together with us for the sake of the common good we are stretching out a hand of friendship to you. This is the first condition.

The second condition is just as important, as without its fulfillment there can be no correct functioning of the supreme form of national life, the state. This condition is the rule of the law, which applies to everyone without exception, to authorities at all levels and to all citizens.

No one must be allowed to break the law without receiving punishment. Such cases must be met with universal condemnation. Such condemnation has met the unprecedented provocation which was directed physically against one man, but politically and morally against the ideal of agreement, and this against us all. In accordance with the universal will, the provocateurs must bear the justified punishment.

The third condition is the universal understanding that it is only by our own better organized and more productive work that we can accelerate the improvement of our living conditions, that we can live in dignity and develop our national culture. This truth is becoming ever more obvious to the broadest circles of Polish society. It is to them all, the millions of working people, engineers, farmers, educational workers, scientific and cultural sector employees, to all who multiply our common wealth, and to all those who protect it by their selfless service, that I address my words of warmest thanks.

I bow before Poland's women, thanking them from the depths of my heart for their work in many important areas of our national collective life; for their honorable, but by no means easy, obligation to raise our younger generation; for the toil they bear in their household management. I address the most warm-hearted of thoughts to the young citizens, and wish that in the complex reality of today they find as much satisfaction as possible in the creation of new values, in active participation in the consolidation of their homeland.

I address my warm and cordial greetings to all those who are unable to share the joy of this evening with their nearest and dearest, who are working for us at a multitude of posts, watching over our health, guarding our security and calm.

Let us join together to convey to the nations that are our neighbors and those that are remote from us, to all our foreign friends, our wishes that the forces of peace and progress continually strengthen to their benefit and for the good of the whole of humanity.

Let us send our wishes to Poles who are scattered beyond the borders of our country. Let them feel our closeness on this New Year's Eve. Let them recall the old country with the same goodwill with which we think of them.

And in front of you all, esteemed countrymen, I voice my most sincere wish: May the wishes you will be wishing each other be brimful of hope, and may the year we begin tomorrow see their fulfillment. May love reign in every family, in harmonious, creative work throughout the nation, within the family of all Polish families.

FOREIGN MINISTER ON INTERNATIONAL RELATIONS

AU312041 Sofia RABOTNICHESKO DELO in Bulgarian 29 Dec 84 pp 1, 4

[Interview given in Warsaw on "the eve of the new year" by Stefan Olszowski, member of the PZPR Central Committee Politburo and minister of foreign affairs, to Boris Dankov, RABOTNICHESKO DELO correspondent in Warsaw]

[Text] [Dankov] How do you evaluate international relations in 1984 and, in your opinion, what are the prospects and hopes for the future?

[Olszowski] The development of international relations in 1984 was characterized by a further strengthening of the dangerous tendencies. The Western programs on developing strategic and conventional forces and the extremely dangerous plans on militarizing space are based on the strivings of imperialism to reach military superiority over the socialist countries. This adventurist policy, aiming at unattainable goals, negatively influenced international relations in Europe and all parts of the world in all aspects. It blocked important channels of the East-West dialogue and paralyzed the disarmament talks.

The situation on our continent was further exacerbated mainly because of the deployment of U.S. medium-range missiles in some European NATO member-countries. This imposed a new and even more dangerous phase of the arms race. The course of confrontation adopted by imperialism is also expressed in continuing the unjust policy of economic sanctions, blackmail, and subversion against the countries of the socialist community. To this one must add the attempts to revise the territorial-political order and status quo in Europe set by the international agreement of Yalta and Potsdam. There has been a revival of the revisionist and revanchist tendencies, as well as further militarization of the FRG.

A brutal expansion and interference on the part of the imperialist and neocolonial forces in 1984 was noted in many parts of the world. The indignation of world public opinion was evoked by the unceremonious violation of the basic principles of international law in Central America, South America, and the Middle East.

The world underwent many economic difficulties in 1984. Tendencies toward returning to protectionism, limitations, and discrimination in international trade appeared, and the debts of many countries increased. The differences in the degree of economic development also deepened, at the expense of the developing countries.

In this difficult and complex international situation in 1984 the socialist countries adopted further consistent steps aimed at defending mankind from thermonuclear danger, limiting the negative and dangerous tendencies in international relations, and securing optimal conditions for the socioeconomic development of the socialist community's states. The decisions adopted by the Warsaw Pact and CEMA in 1984 testify to this.

Facts and events show that 1985 will not be a calmer year. The complex and difficult problems of the contemporary world will require constant care and efforts on the part of the socialist countries for their just and realistic solution. Our success in this activity will depend on the power of the political-ideological unity of the socialist community's countries and the participation of all progressive forces.

The USSR-U.S. high-level meeting which will take place in Geneva in January was accepted by the international public as a possibility for achieving progress and decreasing the threats to the modern world, springing from the threatening prospect of a further explosive escalation of arms, including space arms. Success in these talks will depend on the willingness of the United States to relinquish its dangerous striving toward reaching military superiority and to adopt in practice the principles of equality and equal security. The forces of socialism and progress in the world, including the peace movement, which is acquiring a special importance, will make a significant contribution to the cause of peace and the struggle for disarmament.

I hope that an increase in the sense of political realism in 1985 will make it possible to gradually find a solution to the difficult problems of our time, and that the world will return to detente and equal and mutually beneficial cooperation among states. This is possible only if imperialism will relinquish its course, which has caused the present tension.

[Dankov] What is the contribution of the Polish People's Republic to the struggle of the USSR and the other countries of the socialist community for disarmament, detente, and strengthening confidence among peoples?

[Olszowski] Close cooperation with the USSR and the other countries of the socialist community was one of the most important principles of our state interests during the entire 40-year existence of People's Poland, and remains such a principle. We think that only through coordinated actions with our partners in the international arena can we achieve real security and simultaneously make our contribution to creating the best conditions for defending the interests of world peace, socialism, and progress.

Strengthening the unity and cohesion of the Warsaw Pact, deepening economic integration within the CEMA framework, and strengthening cooperation with the USSR and the other socialist countries, these are the priorities of our foreign policy.

The official and friendly visit of the Bulgarian party-state delegation led by Comrade Todor Zhivkov to our country in 1984 took place in such a spirit.

The visit to Poland of Comrade Nicolae Ceausescu, as well as the working meetings of Comrade Wojciech Jaruzelski with Comrades Janos Kadar, Erich Honecker, and Gustav Husak had great importance. They clearly proved our unity and striving toward returning to decreased tension in international relations.

Poland's international situation was especially difficult in recent years. U.S. imperialism and the "cold war" forces in NATO began a policy of political, economic, and propaganda pressure on our country, and interference in our internal affairs. The struggle to overcome the discrimination and isolation imposed by the imperialist states was one of the most important tasks of Polish foreign policy in 1984. The visits of many Western leaders in Warsaw in 1984 demonstrated the defeat of the anti-Polish strategy. Our efforts, as well as the help of the fraternal socialist countries, contributed to this fiasco.

We implemented energetic political-diplomatic activity for confronting the increasing revanchist tendencies in the FRG. The striving toward a revision of the existing borders in Europe, contesting the Yalta-Potsdam territorial-political order, and raising the artificial problem of the so-called German minority, are becoming a serious threat to peace and security in our continent.

Together with our Warsaw Pact allies we put forth many proposals to the NATO states and all European states. We initiated actions and steps at the United Nations and the Stockholm conference aimed at reaching agreements which can decrease tension and support other proposals of the Warsaw Pact. We attribute a special significance to the proposal on concluding a treaty between the countries of the Warsaw Pact and NATO on the nonuse of force and maintaining peaceful relations. We fully support the USSR position at the disarmament talks with the United States as well as the Soviet disarmament proposals springing from the great sense of responsibility of this great socialist country for the destiny of mankind. We decisively support the active steps of fraternal Bulgaria for implementing the idea of creating a nuclear-free zone in the Balkans. Polish initiatives, such as the resolution adopted by the United Nations on means of strengthening confidence in international economic relations, are very important for the peaceful future of mankind. They have great significance against the background of constant misuse of economic relations on the part of the imperialist states, with the view of interfering in the internal affairs of sovereign countries.

In conclusion we can say that the active, engaged Polish foreign policy is evident in all aspects of the general struggle of the socialist countries for peace and decreasing tension.

SEJM CONTINUES PROCEEDINGS 28 DECEMBER

LD281500 Warsaw Domestic Service in Polish 1105 GMT 28 Dec 84

[Excerpts] Today is the second day of the Sejm session. Our reporter Jerzy Tomaszewskli gives you his account:

Good day, ladies and gentlemen. This is the Sejm studio. The deputies' debate on the budget bill and other documents relating to the central finances of the state is continuing. The first speaker today was Deputy Premier Manfred Gorywoda, chairman of the Council of Ministers Planning Commission.

At the end of his speech Manfred Gorywoda stated that opportunities exist to achieve the basic goals of the 3-year plan, and even to achieve better results in many areas, than envisaged in the 1983-85 plan. Current forecasts estimate that the planned national income may even be exceeded by 3 to 5 percent. Although one stresses the progress that has been achieved in realizing the 3-year plan, one must not forget that to a large extent it simply makes up for the losses sustained between 1979 and 1982. If one assumes that the tasks of next year's plan are performed in full, the produced national income will still be 10 percent lower than in 1979. One ought to bear this in mind when considering the chances of satisfying the needs of the public and when comparing the developmental capacity and standard of living of Polish citizens with those of other countries.

The deputies are discussing a large number of issues. Deputy Kazimierz Orzechowski, among others, discussed plans to bring in new economic and financial measures next year, and said that these plans deserve to be supported, on the condition that they are applied consistently and that a policy of tight money, which imposes economical management, is pursued. The speaker also took a position regarding the assumptions of the plan for 1983-85, pointing out that despite the indubitable increase in production and in the produced national income, the strains on the financial equilibrium of the state are growing. Budget subsidies are also rising, which is a sign of the lack of a correct price policy. Any change in this situation must depend on general public efforts to increase work productivity and raise the quality of products, and not just on the actions of the government.

Another speaker, Deputy Jan Walaczek, said that the documents put forward for acceptance evinced an aspiration to economic balance and a halting of inflation, and assumed that national income and industrial production would increase through greater thrift, improved utilization of raw and other materials, and higher quality and work productivity. The state of our economy is complex and difficult. Nevertheless, clear signs are emerging which permit us to hope that our economic crisis will be overcome.

Four other deputies are to speak in the discussion on the budget and the other central financial plans of the state.

1985 Budget Decree Approved

LD281327 Warsaw Domestic Service in Polish 1300 GMT 28 Dec 84

[Text] Good day, ladies and gentlemen. Here is the Sejm studio. The Sejm has passed the budget decree for next year and has adopt resolutions on the balance of payments; on the credits plan in the balance of the monetary income and expenditure of the population and the provisions of monetary and credits policy; on the plan for the central fund for the development of culture; on the plan for the state fund for professional incentives; and in the matter of defining the list of goods and services for which state prices are fixed.

Thus, 2 days of exceptionally important discussions have ended. A dozen or so speakers, including representatives of deputies' clubs and circles, took part in the discussion. The Sejm then passed a decree on artistic institutions. The house has appointed Konrad Tod to the post of minister to head the Office for the Advancement and Application of Science and Technology.

Now the final item on the agenda has begun. Deputies' written and verbal questions are in progress. Thus the 2-day Sejm session which is the last this year, is coming to a close.

WARSAW REPORTS CHANGES IN ZLOTY EXCHANGE RATE

LD011658 Warsaw Domestic Service in Polish 1600 GMT 1 Jan 85

[Text] Narodowy Bank Polski announced that as of today the basic exchange rate of the zloty has been altered against the transferable ruble and U.S. dollar. The exchange rate against the transferable ruble is now Z77; previously it was Z72.

It should be recalled that trade accounting with CEMA countries is made in transferable rubles. The exchange rate for socialist countries' currency used in foreign travels and for other nontrade payments has not been altered. The exchange rate of the zloty against the U.S. dollar has been increased from Z123 to Z138. This indicates the devaluation of the zloty against the dollar by 9.3 percent.

CEAUSESCU DELIVERS NEW YEAR MESSAGE TO NATION

AU310844 Bucharest AGERPRES in English 0719 GMT 31 Dec 84

["Message" -- AGERPRESS headline; address to the Romanian people by President Nicolae Ceausescu on New Year's Eve]

[Text] Bucharest AGERPRES 31/12/1984 -- Dear comrades and friends, citizens of the Socialist Republic of Romania: We conclude the outgoing year with the remarkable results in the development of our socialist homeland. In 1984 the Romanian people celebrated 40 years since the victory of the antifascist and antiimperialist revolution of social and national liberation that opened a new era of revolutionary changes and construction of the socialist system in Romania. In November the same year the 13th congress of the party was held, endorsing resolutions of historic importance for the economic and social development of the country during the Eighth Five-Year Plan period and further, until the year 2000, for the construction of the multilaterally developed socialist society and Romania's unflinching progress towards communism.

In the outgoing year industry has grown at an approximately seven percent rate and agriculture turned out its larges crop ever in this country, more than one ton per inhabitant. The Danube-Black Sea Canal, a great achievement of this time and of the creative genius of our wonderful people was commissioned. At the same time we made an important progress in developing education, science and culture. Starting from the growth of the national wealth and of the national income a six percent rise in the real remuneration and pensions has been provided; the incomes of the peasants, of all the working people kept growing. The great achievements of this year prove once more the might of our national economy, the superiority of the socialist system we are building, the ability of the Romanian people to overcome all difficulties and -- by working in union, under the leadership of the party -- to ensure the firm progress of Romania along the path of progress, welfare and civilization.

For all these achievements, on behalf of the Central Committee of the party, of the State Council and of the government as well as on my own behalf, now, at the turn of the year I address our working class, the peasantry, the intelligentsia, all the working people, irrespective of nationality, all the nation warmest congratulations and wishes of new, ever greater victories in their future activity.

Dear comrades and friends, citizens of Socialist Romania, we inaugurate the new year, 1985, with the firm resolve to steadily implement the provisions of the plan for the last year of the current five-year plan, thus securing the fulfillment in proper conditions of the whole five-year plan 1981-1985 and the promotion of our homeland onto a new stage of its socialist development. We further attach special importance to enlarging the energy and raw materials base, to the carrying through of the special programmes of raising the technical level and quality of production, increasing labour productivity and cutting down material and energy consumption, of firmly applying the principles of the new economic and financial mechanism, of self-management and worker self-administration, of increasing more the efficiency of the entire activity. Likewise, the process of agricultural development and updating, of implementing the new green revolution in Romania, of changing the way of working, living and thinking of the peasantry will continue. Most resolute action will be taken for the fulfillment of the plan in investments and in the other compartments of activity.

Special stress will be laid on the development of science, education and culture, as factors of utmost importance for the successful fulfillment of the whole work of socialist construction in our homeland. The political-educative activity will be intensified, for enlarging the working people's knowledge, for moulding a new man with advanced revolutionary, patriotic consciousness.

All this requests steady action for the continuous improvement of the whole activity, for the expansion of the revolutionary worker democracy, for turning to advantage the working people's initiative and creative capability, for promoting a high spirit of orderliness, discipline and responsibility in all domains of economic and social life.

Let us do everything possible in order to ensure in 1985 the fulfillment under the best of conditions of the current five-year plan provisions, to mark new and ever bigger progress in the fulfillment of the party's programme, in raising the general standard of living of the Romanian people, in consolidating our socialist homeland's independence and sovereignty.

Dear comrades and friends, the year 1984 was characterized by a dramatically tense international situation, by an intensified arms race -- nuclear in particular -- which heightened the danger of a new world war that would inevitably change into a nuclear catastrophe that would destroy the whole life and civilization on our planet. That is why the fundamental questions of our epoch are to halt the nuclear arming and pass to disarmament, to remove the war danger and defend peace. As we inaugurate the year 1985 we have to work so as to halt the dangerous course of events toward a mounting tension, to ensure the resumption of the policy of detente and peaceful settlement of all problems, the defence of the people and nations' supreme right to existence, freedom and independence, to life and peace.

We greet the negotiations due at the beginning of this year between the Soviet Union and the United States and wish them to match the peoples' expectations, to open the path to adequate understandings on the matters of nuclear weapons and nonuse of the outer space for military purposes.

As the problem of missiles is of direct concern to the European peoples' life and existence, we consider that all countries in our continent, first of all the NATO and Warsaw Treaty ones, have to directly participate one way or another in achieving understandings in proper form conducive to the removal of the medium-range missiles and then of any nuclear weapons from Europe and the world over.

The European peoples, who will celebrate in 1985 four decades since the end of the Second World War and the defeat of fascism, will have to take account of the lessons taught by history and actively collaborate in order to achieve, above any differences of social system, a united Europe of peace and collaboration, free of weapons and wars.

Just like until now, Romania will most resolutely campaign for disarmament, security, collaboration and peace in Europe and in the world. We will pay special attention to the development of the collaboration in the Balkans, to turning this region into a zone of peace and fruitful collaboration, free of nuclear weapons and foreign military bases.

In our entire international activity, we will most firmly promote the principles of full equality of rights, national independence and sovereignty, non-interference in internal affairs and mutual advantage, observance of every people's right to decide their destiny by themselves, without any outside interference.

We are determined to actively contribute in the future too, to the peaceful, negotiated settlement of inter-state disputed issues, to the eradication of underdevelopment and the establishment of the new world economic order based on full equality and equity in interstate relations.

Truthful to her policy of peace and collaboration Romania will steadily strenghten the collaboration with the socialist countries, with the developing and non-aligned countries, with the developed capitalist states, with all peoples of the world, irrespective of social system, for the constructive settlement of the big and complex issues facing our epoch.

We inaugurate the new year confident that the peoples, the peace and disarmament movements everywhere, which the Romanian people join with all their forces, do have the capability to impose their will and give the events a new course, to ensure the triumph of the policy of collaboration and peace, independence, of free and sovereign affirmation of all nations in a better and more just world.

Dear comrades and friends, citizens of the Socialist Republic of Romania, may the year 1985 bring our people new victories in their activity of peaceful construction, in the carrying through of the current five-year plan and the successful start of the implementation of the new five-year plan, of the historic resolutions of the 13th congress of the party.

May the year 1985 mark a new important moment in the struggle for peace, detente, security, and understanding among all nations of the world, for a broad and fruitful international collaboration.

I wish you, dear fellow countrymen, a happy new year, full of satisfactions and joys, ever bigger successes in work and life, the accomplishment of every wish for the better, good health and happiness.

"A Happy New Year"

CEAUSESCU ADDRESSES HUNGARIAN, GERMAN COUNCILS

AU272001 Bucharest SCINTEIA in Romanian 28 Dec 84 pp 1, 3

[Speech by President Nicolae Ceausescu at the joint meeting of the Councils of Working People of Magyar and German Nationality in Bucharest on 27 Dec]

[Text] Bucharest, SCINTEIA 27/12/84 -- Dear comrades: The Councils of Working People of Magyar and German nationality, citizens of the SR of Romania, debated in separate and joint meetings the tasks incumbent on them in the light of the 13th RCP Congress' historic resolutions.

The activity of the Councils of Working People of Magyar and German nationality is part of the broad development of revolutionary worker democracy, which, in this form within our democratic system, provides for debates on problems related to Romania's steady advance on the road of socialism and communism and on our nation's welfare and happiness.

The attainment of the RCP's strategic target, the implementation of the programme of building the multilaterally developed socialist society and its firm advance toward communism are basic problems of all working people, whatever their nationality, of all our people. Only by attaining these objectives can we ensure true equality of rights, welfare, and freedom to all working people, to all our people.

The 40th anniversary since the antifascist and anti-imperialist revolution of social and national liberation, which ushered in a new era in Romania's socioeconomic development, was an opportunity for a general balance sheet.

Over a short period of time Romania has traversed several historical stages: from the bourgeois-landlord regime to the socialist system, to the higher stage of building multilaterally developed socialism in our homeland.

In this interval industrial output has grown more than 100 times, agriculture approximately 7 times, and national income 32 times. All the other socioeconomic sectors have powerfully developed. Science, education, and culture, fundamental factors of our homeland's general progress, of building the socialist society, have advanced.

On this basis our people's material and spiritual standards have risen, the major aim of our Communist Party's policy, the essence of the multilaterally developed socialist society that we are successfully building in Romania.

Over a historically short period of time Romania has turned from a weakly developed country with a prevailing agrarian economy into an industrial-agrarian country with a modern, powerful industry and an advanced agriculture.

Within this broad revolutionary process the national question has also been solved according to the principles of scientific socialism, of Marxism-Leninism. As I have repeatedly mentioned and as is well known, during the last century Romanians, Magyars, Germans, Serbs, and other nationalities have lived, and worked, and struggled side by side in Romania's regions. Everything that has been achieved on these lands has been done together, and together they fought against oppression and injustice, for a society without exploiters, a society of social and national justice. It is through a united front that we accomplished the revolution of liberation, that we built the socialist society and attained the standards of living our people enjoy today.

One of these great achievements, which plays a decisive role in ensuring full equality of rights, is the powerful development of production forces and the harmonious distribution of industry and other activities across the counties and the country's regions. With this as a basis, wonderful conditions were created for the ensurance of the right to work, for the acquisition of the latest gains in modern science and technology.

The large areas of industrial and housing construction, and of construction of other social and cultural buildings that have changed the looks of our cities, of our homeland, are proofs of the correctness of the party policy of raising the general development standard of all the country's counties, of creatively applying the general truths of scientific socialism and objective laws to Romania's specific conditions.

Full equality of rights is ensured in all fields of activity. In the first place, we have achieved what many countries of the world, the most developed capitalist states included, have yet to ensure: the right to work, one of the fundamental human rights. Not only have we enacted this right in the Constitution and in other laws, but we have created genuine conditions, through the development of production forces and their distribution across the country, for all the nation's citizens, irrespective of nationality, to benefit by this right and have access to it.

For all the hardships we had to overcome in the early years of the current quinquennium, a fact that I have mentioned previously, not only did we not cut back on employment, which would have left people jobless, but, even under those conditions, we created new job opportunities for all citizens, for our homeland's youth, a fact that proves the might and superiority of our socialist society, of socialism in general.

The Constitution and the laws of our state enshrine equal rights to pay for equal work, firmly applying the socialist principle of remuneration. With this as a basis, all working people, with no discrimination as to either nationality or sex, as is the case with other countries, have equal rights and start from the same pay level. There is a difference, but this difference concerns equally all working people: It is a fact that incomes are derived from work. There are people who work better and earn more, and, by implementing as from 1983 the new pay system, there is no limit to the incomes deriving from their work. Yet there are others who do not work so well, and thus their incomes could be lower, no limit to that either. Nevertheless, I believe that this difference has nothing to do with either nationality or sex. On the contrary, it is related to the need to ensure genuine equality, everybody's right to unlimited earnings based on work. We have eliminated the right to incomes derived from sources other than work, we have liquidated exploitation and oppression, and under no circumstance shall we ever permit someone to live in our society without working, or by exploiting someone else's work. Such "rights" were done away with for good and all. Such "discriminations," if one may say so, exist and shall grow stronger, which means that we shall bear no oppressors in our homeland. This is a real discrimination of oppressors, of what happens in capitalist countries, yet we conquered this "discrimination" by our struggle, and it means in fact a genuine equality of rights of all working people, irrespective of either nationality or sex.

Speaking of rights and freedoms are those who do not care if citizens of one color or another in their countries fail to enjoy the same rights to work and pay, and according to the laws in force, are granted lower wages; or if women receive lower pay than men, and are not ensured fully equal rights. We never wish to see such "freedoms" in our homeland. To them such "rights" are perhaps a means of securing higher incomes -- which apparently is the truth -- of further oppressing the colored people, the people of other nationalities, the women, and the youth. Like "freedoms" can no longer exist in our country. We have come to a new understanding of equality and freedom, that is, all Romanian citizens have the same rights and freedoms in all fields, as well as the same duties to the homeland, to the people, to the cause of building the new, classless society.

The country's Constitution and laws provide for fully equal opportunities in education and culture; virtually, every citizen and youth is free to attend any educational institution. As is well known, our socialist state has ensured free education and has broadly developed the learning network throughout the country with the goal of providing material conditions for free access to education for all youths, for all citizens. While securing conditions for the youth, we also have seen to it that those who could not learn in their youth complete their studies while they are still able to and acquire further knowledge. We see education as a fundamental factor for men's equality, since any man will actually feel free and equal to other citizens of the country, irrespective of nationality, only to the extent to which he espouses the most advanced knowledge in all areas.

Furthermore, we have always provided conditions for education in the language of each nationality inspired by the wish to provide opportunities for all children and youth of the homeland to acquire more knowledge. And this is not all. As you know, we have taken steps so that every youth should learn at least two widely-spoken foreign languages, having the choice of four languages which we considered more important. Therefore, we work to expand the knowledge of the working people, of all the citizens of the homeland and help them learn widely-spoken languages with a view to ensuring access to the achievements of world science and knowledge, and to contacts, as well as their contribution to the development of international collaboration.

While focusing on this line, we must never forget that we live in a united homeland, that we build socialism and communism in a united homeland. Therefore, we must see to it that each citizen of the nation benefits from the freedoms and rights ensured by the Constitution and the laws, and carrys on his activity in any part of the country. To compel a young man to never leave his commune or town would mean to hamper his freedom and potential for developing from the very beginning. To grant him a true opportunity to develop means, for example, to allow him to go and study physics in Bucharest, Iasi, Cluj, Timisoara, or Craiova, that is wherever he thinks or considers that the professors are better -- as this difference does exist. Of course, I have no intention of offending professors but there are differences in teaching from one faculty to another, from one higher learning institute to another. This was and will always be the case, as in the field of education, too -- as in all other fields, as a matter of fact. The people have the decisive role of ensuring the level of training and teaching needed in one area or another. The youth must be allowed to choose whatever institute they consider will provide better education, they must be allowed to make better use of their skills. This is true equality of rights, and we want to do everything possible to provide like opportunities. That is why, while studying in the language of the respective nationality, the youth must understand that to learn Romanian is a prerequisite for true equality of rights of all the citizens of Romania.

We promote strongly continuing improvement of political, ideological knowledge on the basis of the revolutionary outlook on life and the world, of dialectical and historical materialism. Activity in that field is known. Reference was made here to the significant role of the "Song to Romania" festival, to the wide range of cultural-artistic events held across the country, to the participation of all citizens of our nation in the formation and development of the new revolutionary, socialist culture. Indeed, we have wonderful traditions in all counties and zones, and we strongly promote them. This concern for cultivating and conserving everything that is good in the realm of culture and art is one of the great achievements of Socialist Romania, but then so is the concern for adding new elements, developing new traditions, if I may say so, for the coming generations; for laying the groundwork for a revolutionary art and culture, the collective fruit of working people, of all people whatever their nationality.

In our political-educative activity of shaping the new man, the builder of communism, which is being carried on also in the languages of the nationalities in our country, we must continuously speak one language: the language of the revolutionary outlook, of scientific socialism; the language that promotes revolutionary humanism, that puts man in focus, improves his cultural and scientific training, his welfare and happiness. This revolutionary language alone can ensure true equality of rights.

We give full scope for development to the forms of revolutionary worker democracy that provides conditions for the working people, for all social segments, for the people as a whole to take an active part in the management of all spheres of activity, in shaping its own free and happy destiny.

You know these bodies of our revolutionary worker democracy. As a matter of fact, each of you is a member of the various bodies of our worker democracy, the forms or place of which may differ.

After the party's congress, plenary meetings were held of the Council of Working People in Industry, and the National Council of Agriculture, and the Grand National Assembly met in session. They were preceeded by a joint plenary meeting of the party's Central Committee and the Supreme Council of Socioeconomic Development, and by a session of the Legislative Chamber of People's Councils. All these nationwide bodies give all working people an opportunity to take part in the drafting and making of decisions that are essential for our homeland's future.

Beginning with the basic units, with the general meetings and the councils of working people in all enterprises, and ending with the national council and the national congresses, our system is highly democratic, giving all the citizens of the country equal rights in making every decision. In reality, a truly equal participation is achieved by these single bodies that give all people the opportunity take part, with all their might and conscience, in the adoption of the country's home and foreign policy, in the fulfillment of the program of building socialism and communism in Romania.

There is no capitalist country in the world and, actually, there are few countries to have such democratic forms that are, indeed, an outstanding achievement of the Romanian socialist society. We are determined to develop further these democratic forms of the people's participation in the administration of society, firmly believing that socialism can only be built by the people for the people; therefore it is the people that must decide what to do to best achieve it.

In consideration of all this, we must improve our work, continue to strengthen the socialist property in all its forms, strive to continuously improve our professional and scientific knowledge, to know everything that mankind has achieved or is achieving, and to share, through our whole work, in further unravelling the secrets of nature, in making Romanian science contribute more to the progress and flourishing of the homeland, to the advancement of world science and knowledge.

At the same time we must work more to expose, through our political-educational work, backward, retrograde, mystic mentalities of life and the world, and take a firm stand against any show of nationalism, chauvinism, anti-Semitism, or anything else that debases man.

Some of the comrades who took the floor today correctly said that, in a number of countries, imperialist reactionary circles resort to all kinds of ideological diversions: disinformation of the masses of people and denigration of socialism, and, as concerns our country, diversion by the so-called national question in Romania.

Indeed, as I and all the speakers have mentioned, the national question has been solved completely in this country and any attempts at diversion, at questioning it can only misinform the respective people or nations, contribute to worsening the relations among peoples and countries. We must firmly reject the attempts of such as foreign reactionary circles who interfere in our domestic affairs and distort and falsify realities in Romania.

It is not accidental that while we make ever greater achievements in socialist construction in our homeland, the most reactionary imperialist, neofascist, Horthyist [Horthy: Hungary's pro-Hitler leader during World War II] circles, out of their hatred of socialism, should slander and backbite realities in Romania.

Besides them, and I want to refer to them also in this framwork, there are certain elements among the former Romanian exploiting classes or reactionary circles that have fled the country who, together with these reactionary circles, seek to blacken and distort realities in Romania.

That is why we must understand reaction the way it has happened in the past. The reaction has always made a common front against the peoples' revolutionary movement and joined hands in oppressing the peoples, regardless of nationality, and it continues to do the same thing today. In their hatred of socialism they rally now, irrespective of nationality, and resort to diversions, all the while sharing a common goal: to strike at socialist construction and socialism, to divert the peoples away from the road to a better and more just system, to the classless society.

Unfortunately, there still are people who fall prey to the activities of the most reactionary circles or who let themselves be influenced by similar activities, the same way that there are people who try to accredit the thesis that the national question in one country or another should be dealt with by parties or governments in other countries. Similar theses have nothing in common with the Marxist-Leninist, revolutionary outlook; they are alien theses and, no matter what they are called, they are an emanation of reactionary circles, an expression of the conception of the most reactionary circles that wish to find ways of interfering in the affairs of other peoples, of preventing their progress, or, at least, of raising obstacles to their development.

Those who have always sown hatred among peoples, deported and tortured millions upon millions of people for the sole reason that their nationality was different are suddenly concerned with human rights, with the rights of the nationalities. Do concentration camps, gas chambers, and other barbarous forms of destruction of mankind not represent the true face of these "defenders" of human rights and of the rights of the nationalities? Can those who sent all those people to their deaths and directly or indirectly took part in those acts pretend to be the defenders of human rights? We must take a firm attitude against the new fascists, against neofascism in general, against reactionary circles everywhere, and must forcefully expose them as they are a serious threat to the peoples' future development, to each nation's peace and independence.

There are also people who mystify history reiterating the most reactionary theses of the bourgeois, imperialist historiagraphy. They sometimes go so far as praising former empires, the policy of domination, and the oppression of other peoples. In a certain way, the fall of the Habsburg empire, about which you know what Marx and Engels said, is regretted.

Naturally, comrades, under like circumstances theses and outlooks which are altogether alien to Marxism-Leninism, to equality among people cannot fail to appear. Those who promote them cannot help falling under the influence of the circles who lived and wish to continue to live by oppressing other peoples.

And where does all this virtually lead, comrades? It can only lead to the dis-information of their own peoples that are not told the truth. This will never serve the cause of friendship, collaboration, and peace. That is why an end should be put to any distortion of history. Let us understand that history today should indeed start from everything that was good in the past, but, do not let us forget that the bourgeois historiagraphy in all countries had many negative facets which we must leave aside. We must work to cultivate everything that was and is common in the collaboration among peoples especially between neighbouring peoples.

Let us work and create a new history of collaboration and friendship and, in the case of the socialist countries, a history of the joint construction of socialism and communism. This is a history that ensures true equality of rights, a history we need for the victory of socialism and peace.

We firmly reject any slanders, any attempts at damaging the unity that exists among the working people in this country, regardless of nationality. Facts have proved that similar attempts can find no room in Romania, that our entire people, all the sons of the homeland, under the leadership of their Communist Party, are determined to strengthen their unity and collaboration, to do their best in order to secure here, in Romania, where they were born and where they are living, a new, free, socialist and communist life.

It should be understood that under the current international circumstances, when a number of reactionary circles have raised the banner of revanchism again, any questioning of the way in which the frontiers issue was solved after World War I or II actually means to side willy-nilly with those revanchist, irredentist quarters, with those who jeopardize the peace and security of the peoples in Europe.

As some speakers have stated here, the questions of Romania's integrity and sovereignty, of the integrity of all the socialist and other states are vital questions for the development of collaboration, for a peace policy, for economic and social progress, and, in our countries, for the successful building of socialist society.

We are resolved to do everything for the broad development of collaboration with all the socialist countries, with neighboring countries, with the Balkan countries, with the European states, in the spirit of the principles of fully equal rights, respect for national independence and sovereignty, noninterference in internal affairs, and mutual advantage.

While firmly implementing the party program, ensuring our country's advance to new stages of progress and civilization, we give the clearest answer possible to all those who do not regard favorably our people's great achievments. We can state openly that we shall do everything and that nothing will prevent us from carrying through the decisions of the 13th congress, building communism in Romania, and steadily strengthening our homeland's independence and sovereignty.

We must step up the educational activity for the more marked development of revolutionary, socialist patriotism, of love for the homeland, for the people, of attachment to the cause of socialism, of the liberty and happiness of all working people, of our nation. This is, and it must be so, a permanent feature of the politico-educational activity of developing truly revolutionary patriotism.

At the same time we must develop the sentiments of friendship and collaboration with the peoples that are building socialism with all world peoples, starting from the fact that solidarity and friendship are powerful factors of socialist development, of international peace and collaboration. Let us pursue a firm policy of peace and collaboration with all states, regardless of social system.

Now, under the existing critical international circumstances, we must do everything to contribute actively to the solution of the great problems confronting mankind, for the cessation of the arms race -- of the nuclear one first of all -- for a passage to disarmament, for an end to the deployment of medium-range missiles on the European Continent, for a Europe without nuclear weapons, a Europe of unity, collaboration, and peace.

I will not refer now to external matters since, at the party congress, I elaborated on the long-term orientations of our international activity and it is in this spirit that we are determined to act most energetically and do our best for the triumph of reason, of collaboration and peace, for a world in which each nation may develop in freedom, as it wishes, without any outside interference.

Dear comrades, in a couple of days we enter a new year, 1985, the last year of the current five-year plan period. The provisions of the 1985 plan are well known. They have been debated in all the bodies of our socialist democracy. They provide for the proper implementation of the 1981-1985 plan and our homeland's advance to a new development stage. On this basis, new conditions are created for the further improvement of our people's material and spiritual welfare.

In 1985 we must act most firmly to the targets concerning the improvement of quality, of labor productivity and the fulfillment of other requirements posed by the ever stronger progress of our homeland. Besides, we must do our best for the achievement of the goals of the new agrarian revolution, for record crops, as established at the recent meeting on agricultural questions.

We have comprehensive, clear programs for all fields of activity. It is now necessary to start putting them into effect. In a few days before the end of the year, we must act in such a manner as to conclude the 1984 plan in good condition. We must do everything so that on the first day of the new year we may proceed to the implementation of the 1985 plan. This is of special importance not only for the current five-year plan but also for the fulfillment of the 1986-1990 plan, for the party's general program for building a multilaterally developed socialist society.

Let us act in full unity under the party leadership and ensure the ever firmer advance of our people and steadily increase our country's material strength, the people's welfare, thus raising our homeland, Romania, onto new peaks of progress and civilization and making firm strides to the high summits of communist society.

Now, at the turn of the year, I should like to wish you, the participants in this joint meeting, all working people, irrespective of nationality, our entire people, my best wishes for the new year, fresh successes and accomplishments in all fields, good health and happiness.

GOODS EXCHANGE AGREEMENT SIGNED WITH VIETNAM

OW261942 Hanoi VNA in English 1620 GMT 26 Dec 84

[Text] Hanoi VNA Dec 26 -- An agreement on good exchange and payment for 1985 between Vietnam and Romania was signed in Bucharest on Dec. 21. Signatories were Nguyen Manh Cam, Vietnamese vice-minister of foreign trade; and Constantin Stanca, Romanian vice-minister of foreign trade and international economic cooperation.

The same day, Nguyen Manh Cam, who was leading a Vietnamese trade delegation, was cordially received by Vasile Pungan, member of the Romanian Communist Party Central Committee and minister of foreign trade and I.E.C. The two sides talked about further promoting goods exchange and economic cooperation between the two countries.

PRICES FOR OIL DERIVATIVES TO INCREASE 1 JAN

LD311432 Belgrade TANJUG Domestic Service in Serbo-Croatian 1336 GMT 31 Dec 84

[Summary] Belgrade, 31 Dec (TANJUG) -- A statement by the Oil Industry Association of Yugoslavia says that retail prices for oil derivatives are going up beginning tomorrow, 1 January 1985. The retail prices of 86- and 98-octane gasoline are going up by 13 percent, diesel oil by 13.6 percent, heating oil by 15.9 percent, and mazut by 16.7 percent. The latest price increases are mainly due to increased refining costs, higher excise duty, and the change in the dinar exchange rate.

COMMENTS ON KOMMUNIST ARTICLE ON SFRY REVOLUTION

Journal's View 'Odd'

LD281504 Belgrade TANJUG in English 1414 GMT 28 Dec 84

[Text] Moscow, December 28 (TANJUG) -- In its latest issue, the Soviet journal KOMMUNIST placed the Yugoslav revolution on par with the changes which took place at the close of World War Two in East European countries, the countries liberated by the Red Army and ones in which certain social changes were carried out thanks to the Red Army.

KOMMUNIST makes no distinction whatsoever between the countries which fiercely fought against fascism for four years and in the process also carried out revolutionary changes -- Yugoslavia and Albania, and the countries which were on the side of the fascist Germany until late 1944 -- Bulgaria, Romania, Hungary. Giving to the Yugoslav revolution the same place as to changes in East European countries, the Soviet journal KOMMUNIST appears to be placing in question the Yugoslav revolution, itself, a revolution which, as is well known, was not carried out after World War Two but started in 1941, in the first days of the Wermacht attack on the Soviet Union.

The journal's view of how "revolution developed in the post-war years", is also odd. KOMMUNIST says that in the first post-war years revolutions developed within the framework of the old state orders -- in Bulgaria, Hungary and Yugoslavia formally and in Romania actually, as it notes in illustration. The KOMMUNIST article is, therefore, a further instance of the negation of an authentic revolution -- the Yugoslav revolution -- and an attempt at identifying it with the changes which took place in certain countries only after the entry of the Red Army.

'Peculiar Conclusion' Drawn

AU281722 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 28 Dec 84

[Text] In its latest issue, the Soviet journal KOMMUNIST ranks the Yugoslav revolution on a par with the changes toward the end of World War II in the East European countries that were liberated by the Red Army, thanks to which certain social changes occurred in those countries. Considering the revolution in Yugoslav the same as that in other East European countries, the Soviet journal KOMMUNIST seems to question it, even though it began in 1941, the first days of Hitlerite Germany's attack on the Soviet Union, rather than being carried out after World War II. The journal propounds the thesis that the revolutionary changes in East European countries occurred thanks to the liberation mission of the Soviet Armed Forces. As confirmation of this thesis, it mentions the liberation of Romania, the uprising in Bulgaria, and the Yugoslav national liberation struggle.

The Soviet journal also draws a peculiar conclusion about how the revolutions developed in the years after the war. It says that new societies arose within the frameworks of the old state systems, and it does not distinguish among the several countries in which a socialist social system reigns. In this way, the authentic Yugoslav revolution is again being negated, and an attempt is made to identify it with the changes that arose in the East European countries after the arrival of the Red Army.

Journal 'Falsifies' Facts

LD291858 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 29 Dec 84

[Text] Falsifying facts on a large scale, the Soviet journal KOMMUNIST, theoretical organ of the CPSU Central Committee, denies the authenticity of the Yugoslav socialist revolution and its impact on the victory over fascism. Here is Milika Sundic:

[Sundic] In an article on East European revolutions the theoretical organ of the CPSU Central Committee, the journal KOMMUNIST, states the following: Only inveterate forgers could deny that owing to the liberating mission of the Soviet Armed Forces the peoples of East Europe were again given the chance to reestablish their state and national dignity, and conditions were created for a radical change in social life.

The Soviet journal is, in fact, referring to the role the Red Army played toward the end of the World War II, but in a way that is far from historical truth, at least in the case of Yugoslavia and Albania. Raising its voice against, as KOMMUNIST put it, inveterate forgers of the course and outcome of World War II, the theoretical organ of the Soviet party, has itself joined the ranks of the forgers by equating Yugoslavia's armed revolution and its unblemished victory to the changes that took place in some East European countries, such as Bulgaria, Romania and Hungary, just before the end and at the end of World War II.

KOMMUNIST ignores the fact that Bulgaria, Romania, and Hungary were allies of the Third Reich and that from the very beginning Yugoslavia and Albania were on the side of the anti-Hitler coalition forces, and that they started their own struggle for freedom from outside. Equating Yugoslavia and Albania with the allied countries of fascist Germany cannot be explained in any way other than a deliberate attempt to avoid the real truth, known to everyone, about the two authentic revolutions. Similar untruths can be constantly found in the Bulgarian press and nowhere else.

The Soviet journal also attributes the success of the Belgrade operation exclusively to the Red Army although it is known to everyone, and to Soviet historians in particular, that it was a joint operation of the Yugoslav Army and sections of the Second Ukrainian Front. No one in Yugoslavia has ever denied the role of the Red Army in World War II or its contribution to the closing operations for the liberation of parts of the Yugoslav territory. A whole book by Yugoslav and Soviet authors was dedicated to the Belgrade operation, which, 20 years ago, clearly described the situation in the Yugoslav theater of war toward the end of 1944.

It is difficult to understand, and what is more to accept, the intentions and wishes of some Soviet authors, newspapers, and journals, to deny and belittle at any price Yugoslavia's contribution to the war against fascism, not at the stage when fascism was facing its destruction, but from the very beginning, when Hitler's armies were advancing toward Moscow, Leningrad, and Stalingrad.

There are official records concerning all this, records borne out by our armed revolution in which 1 Yugoslav in 10 lost his life. It is worth mentioning that in 1941, when the Soviet Union was going through its most difficult phase, two military parades were held in honor of the October Revolution, one in Moscow and the other one in Uzic? Soviet authors are well aware of all this. However, 40 years after the war they are still trying to find out some kind of their own truth about these past, but unforgettable, times and in the course of this resorting even to forgeries which are not to their credit and which unfortunately only encourage crafty Bulgarian forgers by playing their own game. This unfair attitude toward the Yugoslav revolution, which also implies a disrespect for those who lost their lives for it, is in direct contrast with the truth which cannot be challenged by any kind of forgeries whatever their present or future aim is.